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SEPTEMBER 3, 1955

foreign trade

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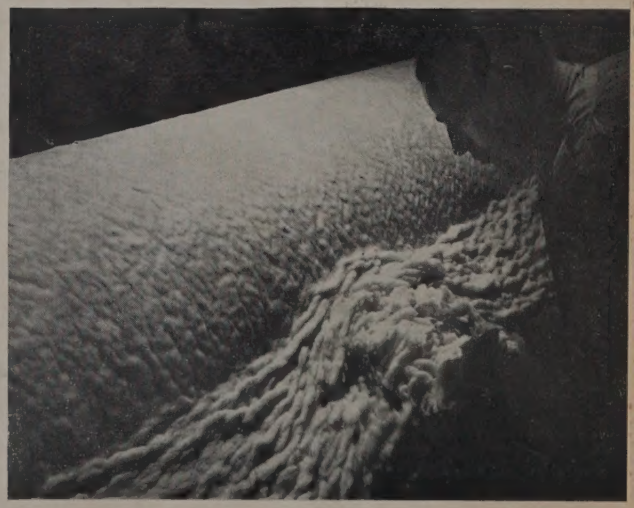

CANADIAN EXPORTS TO BRITAIN: PREWAR AND POSTWAR

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CANADA

foreign trade

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cover Increased shipments of wheat (left), aluminum (upper right), wood pulp (lower right), with barley and wheat flour, have been important factors in maintaining the level of Canada's exports to the United Kingdom. For a comparison of our trade with Britain in the immediate prewar years and in 1952-54, please turn to page 2.

Canadian Exports to Britain: prewar and postwar

ECONOMICS BRANCH, *Department of Trade and Commerce.*

Before the war, 40 per cent of Canada's exports went to Britain; since the war, this has declined to 17 per cent. Yet Canada has retained her proportionate share of this market. Here is an analysis of the trade figures—and some pertinent conclusions drawn from them.

ONE OF THE MOST NOTABLE CHANGES since prewar years in Canada's export trade, apart from the marked increase in overall volume, has been the very substantial shift in its geographic distribution. Comparing figures for the period 1952-54 with the prewar years 1937-38, the proportion of Canadian exports going to the United States increased from 35 to 57 per cent; the proportion going to the United Kingdom declined from 40 to 17 per cent. The share of total exports accounted for by sales to all other countries did not change significantly; it increased from 23 per cent to 26 per cent between these same two periods.

This shift in the geographic pattern of exports is reflected in the differing trend of sales to these three markets. Between 1937-38 and 1952-54, the dollar value of Canadian exports to each of the three markets increased: to the United States more than sevenfold, to third countries more than fourfold, and to the United Kingdom something less than double.

These increases in the dollar value of trade reflect sharply higher prices as well as changes in the volume of goods shipped. If the effect of price changes is removed by valuing exports for both periods in terms of 1947 prices, it is estimated that, in unit volume terms, exports to the United States have nearly tripled and to third countries they have about doubled. The volume of goods shipped to the United Kingdom, however, has declined slightly.

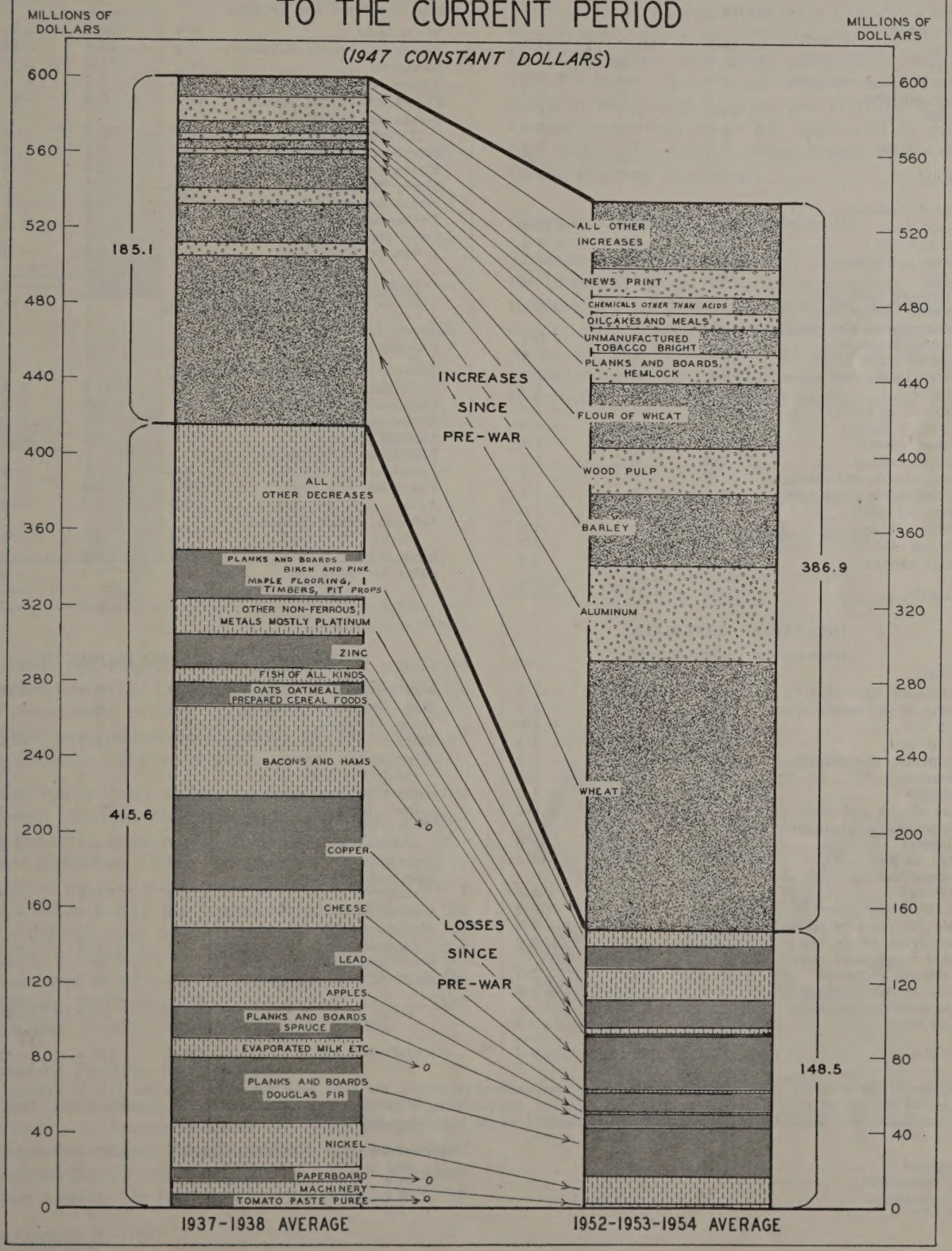
Factors Influencing the Shift

The sharp divergence in the volume of goods going to the United States compared with shipments to the United Kingdom resulted from varying rates of growth in the two countries and other fundamental differences in their economic positions. Between the two periods referred to, national output in the United States doubled but in the United Kingdom it increased by less than one-third. Moreover, in the United States, output in many resource industries has not kept pace with rising domestic requirements and this has resulted in much greater dependence upon Canada as a source of industrial material. On the other hand, in the United Kingdom balance-of-payments difficulties have necessitated an actual reduction not only in imports from Canada but also in total imports from all countries, notwithstanding some rise in the level of production and incomes during this period.

This decline in the volume of British imports reflected the appearance following World War II of new adverse factors in the United Kingdom foreign exchange position. For one thing Britain entered the postwar period with its foreign exchange earning capacity severely handicapped as a result of the disruption of markets, the liquidation of foreign investments, and the destruction of merchant shipping caused by the war. In addition, the relatively sharp increases in world prices

CHART I

CHANGES IN THE VOLUME OF CANADIAN EXPORTS TO THE UNITED KINGDOM FROM PRE-WAR TO THE CURRENT PERIOD



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Volume of Canadian Exports to the United Kingdom

(1947 constant dollars, millions)

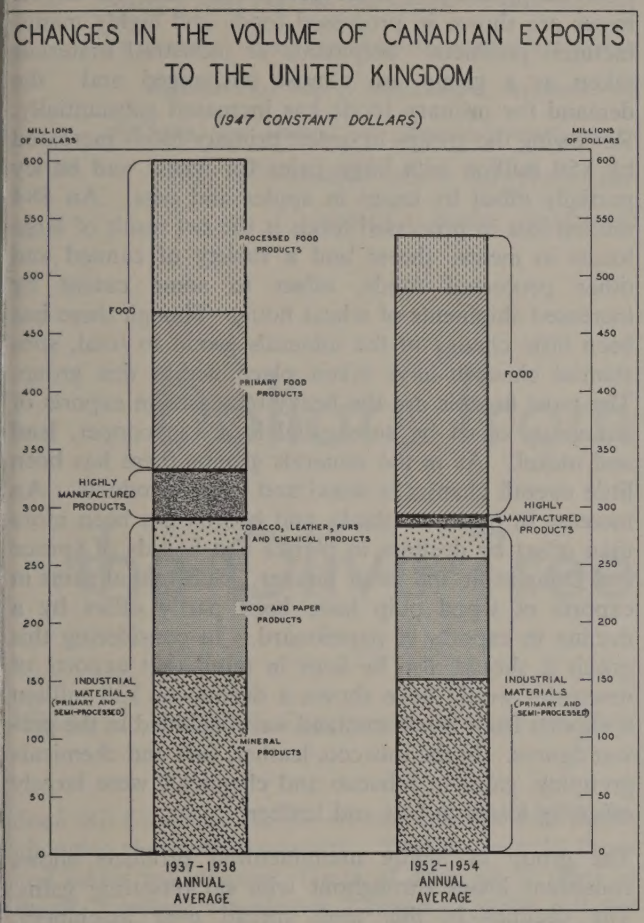
Commodity Classification	Annual Average 1937-38	Annual Average 1952-54	Difference
FOOD			
Primary Products			
Wheat	89·8	144·2	+54·4
Barley	20·7	38·6	+17·9
Other agr. and veg. prod.	3·4	8·4	+ 5·0
Grain, all other	1·7	2·4	+ 0·7
Apples	14·0	0·7	−13·3
Oats	4·0	0·7	− 3·3
Live animals	2·4	0	− 2·4
Total	136·0	195·0	+59·0
Processed Products			
Wheat flour	18·6	34·9	+16·3
Beef and veal	1·2	5·4	+ 4·2
Bacons and hams	47·2	0	−47·2
Cheese	19·9	1·6	−18·3
Evaporated milk, milk powder, butter, etc.	10·5	0·9	− 9·6
Tomato pastes and purees, canned fruits, etc.	6·3	0·2	− 6·1
Prepared cereal foods	6·1	0	− 6·1
Pickles, catsup, and sauces	2·8	0	− 2·8
Oatmeal	2·7	0	− 2·7
Soups of all kinds	2·4	0	− 2·4
Tomatoes, canned	1·7	0·3	− 1·4
Salmon, canned	4·5	3·1	− 1·4
Lobster, canned	1·4	0·2	− 1·2
Brans, shorts, and middlings	1·8	0·7	− 1·1
Salmon, fresh and frozen	1·1	0	− 1·1
Meats, all other	1·0	0	− 1·0
Poultry, dressed	0·9	0	− 0·9
*Fish, all other	0·7	0	− 0·7
Meats, canned	0·5	0	− 0·5
Total	131·3	47·3	−84·0
INDUSTRIAL MATERIALS (primary and semi-processed)			
Minerals			
Aluminum (primary)	6·5	48·2	+41·7
Ferro alloys (mostly silicon)	0·5	4·7	+ 4·2
*Iron ore	0	4·0	+ 4·0
Scrap iron	·3	3·6	+ 3·3
Aluminum (fabricated)	·3	2·5	+ 2·2
Abrasives	1·0	2·5	+ 1·5
Asbestos	2·0	3·2	+ 1·2
Bars of iron and steel	0·3	0·9	+ ·6
Copper (mostly bars and ingots)	41·3	21·7	−19·6
Lead, in pigs	28·4	10·3	−18·1
Copper (mostly sheets and tubing)	9·1	·4	− 8·7
Nickel (matte or fine)	23·2	14·9	− 8·3
*Zinc (95 per cent spelter)	17·4	15·0	− 2·4
Iron (pigs, billets, etc.)	4·5	2·3	− 2·2
Other non-ferrous metals (largely platinum)	18·8	16·7	− 2·1
Rods of iron and steel	1·6	0	− 1·6
Non-metallic minerals, all other	1·9	1·0	− 0·9
Total	157·1	151·9	− 5·2

Commodity Classification	Annual Average 1937-38	Annual Average 1952-54	Difference
Wood and Paper and Products			
Wood pulp	8·1	24·7	+16·6
Planks and boards (hemlock)	2·9	16·5	+13·6
*Newsprint	13·3	15·0	+ 1·7
Veneers and plys	2·8	3·2	+ 0·4
Planks and boards (spruce)	16·7	6·6	−10·1
Planks and boards (Douglas fir)	34·7	25·7	− 9·0
Paperboard N.O.P.	6·9	0·4	− 6·5
Planks and boards (birch)	5·0	0·4	− 4·6
Maple flooring	1·6	0	− 1·6
Planks and boards (pine)	3·3	1·9	− 1·4
Timber squares (Douglas fir)	1·5	·2	− 1·3
Other planks, boards, timbers, logs, pit-props, etc.	9·9	9·4	− 0·5
Total	106·7	104·0	− 2·7
Tobacco, Leather, Furs, and Chemicals			
Tobacco, unmanufactured (Bright)	4·8	13·5	+ 8·7
Chemicals (other than acids)	6·1	8·6	+ 2·5
Beaver skins	0·3	1·0	+ 0·7
Muskrat skins	0·5	0·9	+ 0·4
Leather products (mostly unman.)	6·8	1·6	− 5·2
Fox skins	4·0	0·5	− 3·5
Acids	0·9	0·2	− 0·7
Tobacco, unmanufactured (dark)	1·0	0·5	− 0·5
Mink skins	0·9	0·8	− 0·1
Other fur skins	1·3	1·2	− 0·1
Total	26·6	28·8	+ 2·2
HIGHLY MANUFACTURED PRODUCTS			
Machinery of all kinds	7·0	0·9	− 6·1
Boots and shoes of rubber	5·3	0·1	− 5·2
Doors of wood	4·2	0	− 4·2
Textiles	5·1	0·9	− 4·2
Miscellaneous exports (settlers' effects, etc.)	5·9	3·2	− 2·7
Rubber belting, tubing, tires, heels	2·6	0	− 2·6
Paper boxes, wall, roof, and building papers	3·7	1·1	− 2·6
Vehicles and parts	2·2	0·2	− 2·0
Iron and steel products (other)	2·3	0·6	− 1·7
Canvas shoes with rubber soles	1·0	0	− 1·0
Manufactured wood, other (matches)	1·9	0·9	− 1·0
Books and other printed matter	0·5	0	− 0·5
Tools of iron and steel	1·3	0·5	− 0·8
Total	43·0	8·4	−34·6
GRAND TOTAL	600·7	535·4	−65·3

* Because of the difficulty in obtaining adequate data, Newfoundland exports to the U.K. were not included in the 1937-38 average. They are included however in the 1952-54 average. This lack of comparability is of particular importance for some commodities. This group is listed below, with estimates of exports from Newfoundland to the U.K. included in the 1937-38 average.

	Average 1937-38	Average 1952-54	Gain or Loss
Newsprint	43·0	15·0	−28·0
Zinc concentrate	20·0	15·0	− 5·0
Fish	2·2	·0	− 2·2
Iron Ore	1·0	4·0	+ 3·0

CHART II



—Economics Branch

of foods and raw materials resulted in a significant deterioration in the United Kingdom terms of trade for the period under review. In other words, imports have become more expensive in terms of the volume of exports needed to pay for them.

These fundamental dislocations in Britain's external financial position, coupled with persisting internal inflationary pressures, led to serious balance-of-payments difficulties. Financial assistance in the form of grants, loans and military aid from the United States and Canada helped the United Kingdom through the more difficult stage of this situation. Nevertheless, to achieve a fundamental solution to these difficulties Britain was faced with the necessity of substantially increasing both production and exports and, at the same time, limiting imports to bare essentials.

Canada's Position Maintained

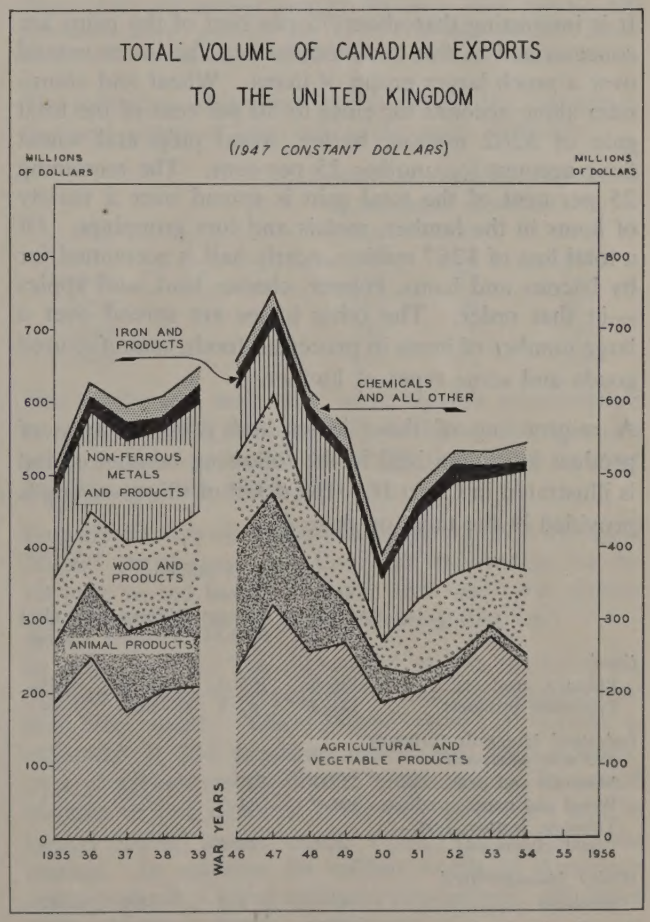
In the light of these circumstances, it is apparent that the decline in Canada's sales to the United Kingdom as a proportion of total Canadian sales is not the result of any reduction in our share of the United Kingdom import market. In fact, between the periods 1937-38 and 1952-54, the decline in United Kingdom imports from Canada was slightly less than the decline in total United Kingdom imports. In other words, as compared with other foreign suppliers, Canada has fully maintained her position in the United Kingdom market.

This conclusion applies to the years 1952-54 compared with prewar. So far in 1955 Canadian exports to the United Kingdom have risen substantially above the 1952-54 level. As a result, shipments of Canadian goods to the United Kingdom are currently higher in volume terms than in prewar years and in addition they make up a somewhat larger proportion of total United Kingdom imports.

Changes in Volume and Composition

To examine the composition of Canadian exports to the United Kingdom, trade figures have been converted to constant 1947 dollars and all value references in the ensuing paragraphs and tabulations are in terms of this measure. The only adjustment made in the original published export figures before deflation was the deduction in the 1935-39 period of certain wheat exports,

CHART III



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which were registered as sold to the United Kingdom though they were actually shipped to other countries. Canadian exports to the United Kingdom measured in constant (1947) dollars declined from an annual rate of $601 million in the prewar period 1937-38 to $535 million in the current period 1952 to 1954. This represents a net loss of $65 million or 11 per cent. However, there have been substantial changes in the composition of exports to Britain between these two periods. In examining these changes one discovers that the net loss of $65 million is simply the difference between much larger losses and gains. If exports to the United Kingdom are divided into two groups on this basis, it is found that there has been a 64 per cent loss in one group of commodities which comprised 69 per cent of our exports to the United Kingdom in the prewar period and that this loss has been partially offset by a gain of 109 per cent in the remaining 31 per cent of our exports to the United Kingdom. Stated in 1947 constant dollars, one group has declined from $416 million in the prewar period to $149 million in the current period—a loss of $267 million—while the other group has increased from $185 million to $387 million, a gain of $202 million. These gains and losses are illustrated graphically in Chart I.

It is interesting that about 75 per cent of the gains are concentrated in five commodities but the losses extend over a much larger group of items. Wheat and aluminum alone account for close to 50 per cent of the total gain of $202 million; barley, wood pulp and wheat flour account for another 25 per cent. The remaining 25 per cent of the total gain is spread over a variety of items in the lumber, metals and furs groupings. Of a total loss of $267 million, nearly half is accounted for by bacons and hams, copper, cheese, lead, and apples —in that order. The other losses are spread over a large number of items in processed foods, manufactured goods and some types of lumber.

A re-grouping of these losses and gains by type of product is summarized in the following tabulation and is illustrated in Chart II. The detail of this grouping is provided in the table on page 4.

($ million)

	Annual Average 1937-38	Annual Average 1952-54	Difference $ million	Per Cent Change
Food				
Primary products	136·0	195·0	+59·0	+43
Processed products	131·3	47·3	—84·0	—64
Industrial Materials (primary and semi-processed)				
Minerals and products	157·1	151·9	— 5·2	— 3
Wood and paper products	106·7	104·0	— 2·7	— 3
Tobacco, leather, furs and chemicals	26·6	28·8	+ 2·2	— 8
Highly Manufactured Products	43·0	8·4	—34·6	—80
Total, all products	600·7	535·4	—65·3	—11

Considering each of these groups in total, the largest losses are shown in processed foods and highly manufactured products. Shipments of industrial materials taken as a group are almost unchanged and the demand for primary foods has increased substantially. Reviewing the groups in order, primary foods increased by $59 million with large gains for wheat and barley partially offset by losses in apples and oats. An $84 million loss in processed foods is the net result of large losses in meats, cheese and a variety of canned and other processed foods, offset to some extent by increased shipments of wheat flour. Though there has been little change in the minerals group in total, substantial changes have taken place within this group. The most notable are the heavy increases in exports of aluminum offset by substantial losses in copper, lead and nickel. As in the minerals groups there has been little overall change in wood and paper products. An increase in hemlock planks and boards has been more than offset by declines in planks and boards of spruce and Douglas fir and other lumber. Substantial gains in exports of wood pulp have been partly offset by a decline in exports of paperboard. In considering this group it should also be kept in mind that exports of newsprint would have shown a decline of $28 million if exports from Newfoundland were included in the prewar figures. In the tobacco, leather, furs and chemicals grouping, gains in tobacco and chemicals were largely offset by losses in furs and leather.

The group of highly manufactured products shows consistent losses throughout with no offsetting gains. The declines in this were spread over machinery, automobiles, tools and parts, manufactured rubber products, textiles and paper products. In total, this group dropped from $43 million to $8 million, a decline of 80 per cent.

These changes in the composition of exports to the United Kingdom indicate a pronounced relative shift toward what might be termed the products of resource industries as opposed to high labour content industries. This is reflected particularly in the substantial decline in exports of both processed foods and highly manufactured products.

Canadian export figures just released for the first six months of 1955 show a very substantial increase in sales to the United Kingdom, continuing a recovery in export levels which had begun in the closing months of 1954. Renewed British wheat and grain, especially barley, purchases were chiefly responsible for the increase, though forest products, base metals —particularly aluminum and nickel—and chemical exports also showed marked strengthening. At mid-year the level of Canadian exports to the United Kingdom was $386 million, close to $100 million or 35 per cent above 1954.

"Dollars don't grow on trees," runs an old proverb. But Spaniards find that their millions of olive trees earn millions of dollars for them, as overseas customers buy olives and olive oil from the world's main producer.

Dollars from the Olive Tree

BRUCE I. RANKIN, *Commercial Secretary, Madrid.*

These girls are sorting part of the crop from Spain's 600 thousand olive groves. In 1953, Canada bought about $1,350,000 worth of Spanish olives, $122,000 of olive oil.

Soak salt Canadian cod for several hours in cold water, changing the water frequently. Then to each 1¾ lb. of cod add 4 red peppers, 1 cup of olive oil, 2 slices of bread, 3 onions, 2 tomatoes, 2 cloves of garlic, salt and cayenne pepper. Bake and serve in a casserole.

THIS DELICIOUS COMBINATION of Canadian and Spanish products highlights but one of the hundreds of uses to which the Spaniard puts olive oil and the olive itself. If Canadian consumers began using this recipe, they would soon reduce our exportable surplus of cod and at the same time increase our consumption of olive oil, one of Spain's leading dollar earners. "Olive oil removes all ills", says a Castilian proverb—and certainly it helps to solve Spain's dollar troubles.

The olive itself, familiar enough in many of its forms, is still relatively unknown to Canadians in the supreme combination—stuffed with anchovies. Since the dove returned to the Ark with an olive branch in its beak, this bountiful tree has heaped its benefits on mankind. Today it has become one of the chief sources of Spanish income.

Production Varies Widely

The olive tree only reaches full yield after twenty years and it is still young at fifty. Spain, with its estimated 600 thousand olive groves containing some 145 million trees, produces more olives and olive oil than any other country and uses more of them, too.

The following table gives Spain's production, consumption and export of olive oil for the years 1948-53:

	Production	Exports	Consumption
	(in thousands of metric tons)		
1953	284	23	351
1952	540	17	348
1951	184	21	345
1950	387	36	342
1949	149	5	339
1948	543	22	336

The reader will note that, while Spain's consumption remains constant at about 345 thousand metric tons a year, production varies drastically from year to year with the vagaries of the climate.

Exports of olive oil during the six-year period averaged 20,600 metric tons—less than half the average for the six-year period just before the civil war—but double the average of the six years following that war.

In order to hold the recaptured export markets, the Spanish arrange to import oil for home consumption in bad crop years. The 1954-55 olive oil harvest is estimated at 275 thousand metric tons with a carry-over of approximately 60,000 metric tons. To ensure meeting export demand, however, plans were laid to import 50,000 metric tons of refined oil for the home market. In addition $6 million worth of American cottonseed oil is going to Spain as economic aid under the agricultural surpluses program.

In 1953 and 1954 exports of Spanish olive oil were estimated at 23,000 and 31,000 metric tons respectively, valued at about $16 million and $20 million. The principal markets were:

	1954	1953
	(in metric tons)	
United States	13,101	10,106
Cuba	5,698	3,959
Brazil	4,219	2,617
Norway	1,524	1,151
Australia	1,399	592
United Kingdom	1,205	1,528
Switzerland	867	539
Mexico	736	679
Puerto Rico	732	546
CANADA	317	159
Venezuela	184	129

Exports of olives reach almost exactly the same value as those of the oil. In 1953 Spain exported approximately 7,650 metric tons of olives in brine and 21,500 metric tons of olives prepared or stuffed. The value totalled approximately $16 million. Canada bought only about $122 thousand worth of olive oil in 1955 but olives alone are much more popular. Canadian purchases of Spanish olives (sulphured or in brine) reached a value of about $1,350,000 in 1953.

Sales Promotion Stressed

To increase export markets for olive oil the "Institute for Advertising Olive Oil Products Abroad" has embarked on an extensive publicity campaign. Its technique is to emphasize the numerous uses of olive oil within Spain which are relatively unknown abroad by participating in fairs abroad and by providing a wide range of excellent publications on the uses of olive oil, written in English and other languages. "Pharmaceutical Uses of Spanish Olive Oil", "The Use of Olive Oil in Dermatologic Excipients", "Dietetic Properties of Olive Oil", "Olive Oil as an Anti-Cancer Edible Fat", etc.—these are the titles of some of their publications, plus the more usual books of recipes describing how to use the oil in cooking. Here is one of their recipes for a typical Spanish hot-weather soup, popular and easy to prepare when summer temperatures soar. The nourishing and refreshing "Gazpacho Sevillano" is prepared as follows:

1½ quarts of iced water
6 large tablespoons of olive oil
2 tablespoons of vinegar
2 cloves of garlic
4 ripe tomatoes—cut into small pieces
1 large green pepper cut into small pieces
1 large cucumber cut into small pieces
Salt.
Chill, and at time of serving add the following:
(a) Half a green pepper cut in little pieces.
(b) Dried bread crumbs.
(c) Half a cucumber cut into small pieces.●

Show Window in Hamburg

TWO YEARS AGO, three citizens of Hamburg, Germany, joined forces to set up an unusual type of permanent exhibition centre. The three—an architect, a salesman associated with the building trades, and a former journalist—established a German Building Centre (Bauzentrum) where building materials, products, and machinery from many countries could be displayed. So far, manufacturers from Sweden, Denmark, the Netherlands, Britain, Switzerland, Austria, Italy, and the United States have exhibited in the centre.

Canadian companies active in the building field and interested in European sales might wish to use the Centre to show their lines. Here are a few details about it:

● *Contracts*—Because the exhibits are intended to be more or less permanent, the minimum contract is for one year. Shorter leases are possible only when special shows are being organized.

● *Space*—Minimum floor or wall space leased is one square metre. Charges for floor space are DM300 for 1 square metre and DM180 for wall space, per year. Fees are payable quarterly.

● *Attendants*—Personnel of the Centre look after the stand, give out printed material, and hand on the names and addresses of inquirers to the Canadian company or to its German agent. They note carefully the products in which the visitor is interested and his profession.

Naturally, the directors of the Centre stress that exhibitors should keep in close touch with them and follow up inquiries quickly.

Free Export-Import Service

Another facility which the Centre offers is a free international export-import service, giving out information about supply of and demand for building materials and products, about building projects and engineering services, licences, and other problems.

Canadian companies who wish to use the Centre to display products in the building or allied fields should write for more information to:

Herr Grutzmacher,
German Building Centre,
Esplanade 6,
Hamburg, Germany.

BERMUDA

a business view

C. R. GALLOW,
Consul and Trade Commissioner, New York.

Catering to some 100 thousand tourists a year has become Bermuda's main business and brings her over U.S. $30 million a year. Businessmen there are confident, despite trend towards high overhead costs and lower profits.

ON MY RECENT VISIT to Bermuda, I noticed a general air of prosperity throughout the islands. Each succeeding year has brought an increase in trade and the majority of businessmen feel optimistic about the future. The gross volume of business continues to be high but despite this, profits are reported to be lower, generally speaking. Increasing local competition and higher overhead costs have both affected prices and thus profits. Tourists are much more price-conscious than they were and their estimated per capita expenditures have dropped; this fact also has meant decreased profits.

Overhead Costs a Problem

Overhead costs now seem to be one of the major commercial problems. In many cases they appear to be still moving up and although the rate has diminished compared with previous years, they are apparently stabilizing only slowly. A number of businesses in the Islands are reported to be carrying excessive inventories, a costly policy when supplies are near at hand, delivery usually prompt, and when overseas suppliers offer reasonably stable prices. Indeed, a satisfactory profit picture for the future may well depend on increasing attention to these problems of overhead.

Other factors also have an influence on business in this area. The standard of living in the Colony has gone up progressively and substantially and is now high. There is no unemployment and, although it is a workers' market with job-switching relatively easy, there is some concern that the natural rate of increase of the population (now nearly 40,000) might lead to difficulties within a few years. Taxation is very low and the major portion of the Government's revenue comes from customs duties.

The steady flow of tourists is the life-blood of Bermuda and on it the wellbeing of the Islands depends. Final figures are not yet available but reliable estimates place at just over 100 thousand the number of visitors who arrived in Bermuda in 1954—more than double the prewar figure. The statistics indicate that of these, less than 5 per cent came from Canada and 92 per cent from the United States, with about 2 per cent from the West Indies and 1 per cent from Britain. Although there is reasonable doubt whether the statistics accurately reflect the total number of Canadian visitors because they may not take into account those moving via U.S. ports, it is still a disappointment to Bermudians that the number of Canadian visitors is so small in proportion. This is particularly true because there are such long-established commercial ties between the two countries.

The annual receipts from this industry are running at just over U.S. $30 million and fortunately there does not seem to be any reason to fear a decline.

In attempting to assess the overall stability of the tourist industry, I made inquiries about what effect the depression of the early 1930's had on it. Some businessmen maintain that there was little, if any, decrease in tourist trade because the fall-off in regular customers was compensated for by new visitors who had previously gone farther afield for their holiday. Others said that the trade declined noticeably. In general, the opinion seemed to be that the Islands did not suffer appreciably. If Bermuda's main source of income was only slightly affected by a major economic disturbance in the United States, it should look for continuing prosperity with some degree of confidence.

In recent years the pattern of the tourist trade has been changing. The clientele is not as exclusive now as it was before World War II and the length of stay is decreasing. The average stay used to be eleven or twelve days and the majority travelled by ship; the average now is about seven days and 75 per cent of the traffic moves by plane. There is also a trend towards a more transient type of visitor—Bermuda this year and somewhere else next year. In absolute numbers, there are at least as many returning year after year as in prewar times, but in proportion to the increase in the total number of tourists per year, the percentage that repeat consistently has fallen off. Two factors contributing to this change are the special "package-type" tours promoted by the travel agencies and airlines, and the increasing competition from other resorts, both at home and overseas.

The main tourist season has also shifted. Many years ago most visitors arrived during the winter months, but gradually the popular seasons have changed to Easter and during the summer. Actually, it is a matter of proportion again because the numbers now arriving during the winter have increased moderately. But they are decreasing percentage-wise compared with summer arrivals.

The Accommodation Problem

The present hotel and guest accommodation is considered sufficient to take care of the trade at the current level. From March through October the hotels and guest homes are operating at capacity with the usual spare accommodation for emergencies. This excludes the Easter season when accommodation is booked or less solid, with no margin for any emergency. For the remainder of the year they run at 50 to 60 per cent of capacity with some low points at only one-half of those figures.

Superficially at least, the position appears to be that during the principal season Bermuda cannot satisfactorily take care of much increase in tourist traffic unless new accommodation is built. And this building has to be considered in relation to the slack season and the problem of the limits on local population because of the physical size of the Islands.

The present aim is to build up the slack season trade. Off-season rates are not being offered and hotel owners are reluctant to introduce reductions because it would mean lowering their standards.

The Builders Are Busy

Building for the tourist trade has been devoted mainly to cottage colonies and the refurbishing of hotel facilities. It is some years since any large hotel was built but the possibility of a new one is currently being discussed. The consensus seems to be that one is needed but whether it should be in addition to present hotels or replace an existing one is not so certain.

A substantial program of new construction and modernization of store and office accommodation—considering the size of the Colony—has been completed or is in progress. Although some feel that it is being overdone, generally it is viewed without alarm. A few companies may be carrying fairly heavy financial burdens as a result of this building spree, but no one seems to feel undue concern about their financial condition. A good percentage of the building is being financed by British capital on a lease-back basis and the very low interest rate at which the funds are made available must be a great temptation for Bermuda firms.

Almost Everthing Is Imported

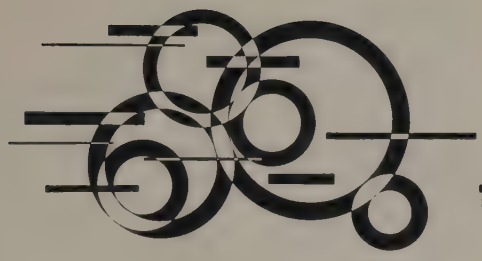
As Bermuda has practically no manufacturing industry and little agricultural production, the trade in commodities is almost entirely based on imports. In 1953, the latest year for which statistics are available, imports into Bermuda totalled a little more than U.S. $33 million, over three-quarters of which came from three countries—the United States (45 per cent); the United Kingdom (22 per cent), and Canada (9 per cent). The other principal suppliers in order of importance were the Dutch West Indies, Australia, Venezuela, British West Indies, South Africa, the Netherlands, France and New Zealand. Both Germany and Italy have made good progress in this market during the last three years.

The main imports are foodstuffs; clothing and piece goods of cotton, wool, silk and synthetics; boots and shoes; alcoholic beverages; drugs; perfumes and cosmetics; animal feeds; building materials; paper and products; tobacco products; furniture and furnishings; electrical supplies; motor cars and cycles; gasoline and oil.

The commodities imported from Canada in largest volume are whisky, evaporated milk, flour, eggs, fresh and cooked meats, codfish, soup, potatoes, apples, mixed feeds, furniture, spruce lumber, newsprint and paper products.

It is interesting to note that diamonds are one of the main imports and also the principal export. The only other two exports of consequence, (apart from returned goods and tourist purchases) are concentrated essences and cut flowers. Total exports amount to about one-fifth of total imports, with diamonds alone accounting for one-third of the export figure. The United States is the principal market. ●

A second article on the market in Bermuda and opportunities there for Canadian exporters will appear in our next issue—Editor.



transportation notes

Argentina

ELECTRIFICATION OF TRANSANDINE RAILWAY—According to an announcement by the head of the electricity division of the General Belgrano Railway, that section of the system known as the Transandine Railway operating between Argentina and Chile is to be electrified at a cost of 71 million pesos. This amount includes expenditure of 31 million pesos on the road-bed and 40 million pesos on rolling stock and electric locomotives. Electrification would increase the carrying capacity of this railway from 250 thousand metric tons a year to about 1 million metric tons. Power will be supplied by hydro-electric works to be established in the Andes mountains.

This is the first part of an electrification scheme which will ultimately include the Buenos Aires-Rosario system, the Cordoba Hills system, the Tucuman suburban system and the line from Tucuman to La Quiaca on the Bolivian border—Buenos Aires, Aug. 15.

Australia

FREIGHTS TO ATLANTIC PORTS INCREASED—Two shipping lines, the Montreal-Australia-New Zealand Line and the American Pioneer Line, have announced that because of rising costs, they are increasing freight rates by 10 per cent, effective September 1st, on all cargo, including wool, carried from Australia to the Atlantic and Gulf of Mexico ports. A similar increase from Australia to the British West Indies and the Caribbean area is being considered—Sydney, Aug. 9.

MATSON LINERS FOR SYDNEY-SAN FRANCISCO RUN—The general manager of the Matson Line in Sydney has announced a new service which is expected to begin in September 1956. Two luxury liners will start a regular run between San Francisco and Sydney, each ship carrying 365 passengers. Sailings from San Francisco will be 23 days apart over alternate routes: Los Angeles-Honolulu-Pago Pago-Suva-Auckland, and Los Angeles-Honolulu-Tahiti-Wellington. The voyage will take 17½ days, with at least one full day in each port, an overnight stay in Tahiti and five days in Sydney—Sydney, Aug. 9.

HELICOPTER SERVICE PLANNED—An Australian helicopter company has sought permission to begin a helicopter service from the suburb of Manly to Sydney next summer. The Council is in favour of the scheme, and a petroleum company has offered to build a £50,000 service station in Manly with a fully equipped helicopter airport on the roof. The proposed skyport would have a 140 by 100 foot landing ramp.

Australian National Airways also plans to be operating a £65,000 helicopter about the end of this year but it not expecting to use the aircraft on the firm's passenger routes—Sydney, Aug. 9.

Canada

REFRIGERATED SERVICE—Saguenay Terminals has announced inauguration of a regular refrigerated service from eastern Canadian ports to Cuba, Haiti, Jamaica and the Canal Zone. Scheduled sailings indicate two vessels are to be employed in the service.

Cuba

HAVANA HARBOUR DEVELOPMENTS—A major part of the proceeds from a Cuban Government bond issue of up to $30 million for a public works program will be used to develop and improve the harbour at Havana. Plans call for extensive dredging; construction of additional wharves; water and sewerage systems; electric, telephone, cable and telegraph services; covered and refrigerated warehouses; a customs house building, and tanks for petroleum and molasses—Havana, Aug. 17.

Federation of Rhodesia and Nyasaland

NEW RAIL LINK—The Limpopo railway line connecting Lourenco Marques in Portuguese East Africa with the Rhodesia Railway will open almost immediately after agreement is reached between the Federation and Portuguese East Africa on the rates structure to be established. Much of the rolling stock ordered for the Limpopo line, including 29 locomotives (22 Sante Fe type, three Pacific and four Mikado), 400 forty-ton dropside trucks, 12 cattle

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cars, 24 passenger coaches and 20 baggage cars, has already been delivered in Lourenco Marques—Johannesburg, Aug. 15.

AIR LINK WITH MADAGASCAR—Prospects appear bright for the early inauguration of a direct air service between the Federation and the French island of Madagascar which lies to the east in the Indian Ocean. The Government of Madagascar is anxious to attract tourists from the Federation and will guarantee the finances of the air service. The round trip fare on the round-about service via Nairobi costs about $375; with a direct service the cost could be reduced to less than $100—Salisbury, Aug. 15.

Indonesia

NEW COASTER HARBOUR—The new coaster harbour in Tandjong Priok was opened on June 11. This new harbour will help to relieve congestion in the main Tandjong Priok harbour—Djakarta, Aug. 12.

Italy

AIRPORT FOR ROME—The new airport for Rome at Fiumicino is expected to be ready for operation within two years. Initially, traffic will be limited to 200 aircraft a day, but when it is completed the airport will be able to handle 400 aircraft and 6,000 passengers daily. About 20 airlines will be using the facilities and 5,000 employees will be needed to provide all the services required. The total cost of the airport, including buildings, is estimated at around $40 million—Rome, Aug. 18.

Jamaica

RAILWAY AND HARBOUR IMPROVEMENTS—The Jamaica Government Railway is modernizing; the switch from steam to diesel locomotives has already begun and seven diesel units have been ordered from the United Kingdom. Stations and workshops will be improved, and personnel will be given further training. In the interests of efficiency, it is planned to make the railway an autonomous body operated by a statutory board of management—Kingston, Aug. 17.

REFRIGERATED STORAGE—Jamaica lacks adequate refrigerated storage and importers often are forced to transport frozen foods direct from the ship to their hotel or retail store. This situation will be relieved somewhat when the Colonial Development Corporation completes an addition to its cold storage plant in Kingston. The new chamber is due to open in October and is designed to accommodate imported meat and butter in the temperature range 10-16 degrees fahrenheit. Further expansion is planned for storage of local beef—Kingston, Aug. 17.

Netherlands

NAVIGATIONAL AIDS—Delegates to the recent international lighthouse conference at Scheveningen visited Ijmuiden to study a new warning system invented in the Netherlands. Called the "Ramark" system, these new beacons send out regular signals which appear as oblong light flashes on radar screens enabling ships to determine the position of a lighthouse along the coast in fog or when visibility is bad. The delegates went out on the North Sea where they clearly saw the signals from the Ramark beacons at Zandvoort and Scheveningen on the ship's normal radar apparatus—The Hague, Aug. 15.

Northern Ireland

SHIPPING SERVICES TO BRITAIN—The British Railways has announced plans to improve passenger and cargo services between Great Britain and Northern Ireland. These include the construction by the Belfast Harbour Commissioners of three new berths in the Herdman Channel, complete with the latest types of handling equipment, and the provision of two new ships designed to carry containers, in addition to the three mail steamers at present under construction. All British Railways freight services will eventually be concentrated at the new Herdman Channel berths. This re-organization is expected to remove the principal causes of shipping delays—Belfast, Aug. 17.

United States

FOREIGN TRADE ZONE CLOSED—The Los Angeles Harbour Department suspended activities in Foreign Trade Zone No. 4 on August 1st. Any commodities subject to Foreign Trade Zone handling had to be removed from the premises not later than August 30, 1955. Warehouse and bonded warehouse activities, however, will continue to be carried on at the same location. The decision to close the Zone followed many years of operation at substantial deficits. Any inquiries about this development should be addressed to W. E. Kruckman, Superintendent, Foreign Trade Zone No. 4, P.O. Box 151, San Pedro, California—Los Angeles, Aug. 19.

West Germany

SHIPBUILDING—It is reported from the Association of German Shipbuilders, Hamburg, that 256 seagoing vessels totalling 893,536 g.r.t. (1953: 240 vessels; 724,354 g.r.t.) and 123 ships for inland water transport with 81,798 tons capacity (1953: 102 ships; 77,006 g.r.t.) were built in 1954. The total production value amounted to DM1,660 million (1953: 1,354 million)—Bonn, Aug. 12.

MARGOT MARTIN, *"Foreign Trade"*.

The How and Why of Exhibiting Abroad

Looking for ways to increase your exports? Displaying your product at trade fairs abroad may be one answer. Here is how government and business co-operate to make participation in foreign fairs pay off.

THE CANADIAN EXPORTER who wants to find new customers or expand his sales in established markets should keep in mind an old and tried method —exhibiting at trade fairs abroad. He may know that the Department of Trade and Commerce organizes exhibits at some of these fairs in co-operation with Canadian firms but he may wonder how worthwhile these efforts are. He wonders, too, how the fairs are chosen and the exhibits organized and just how much interest they arouse in foreign buyers.

To answer his questions, let's look behind the scenes. The story begins with the trade fairs committee set up by the Department of Trade and Commerce, which meets throughout the year to discuss and to evaluate the trade fairs that have invited foreign participation. This evaluation is made by assessing such factors as their success in attracting buyers and whether they are held in or near markets where Canadian products can be sold. In coming to a decision, the committee studies reports from Trade Commissioners and members of the Department who have visited the fairs in previous years and data on the market possibilities and the Canadian export products which could compete. When the committee has selected the fairs at which it feels Canada could well exhibit, the Commodity Officers who specialize in the products chosen for showing at each fair come into the picture.

Let's take, as a hypothetical case, the trade fair in Attica where the Department believes there is a good market for hardboard. The Commodity Officer for hardboard prepares a review of the market for this product both in Attica and in other countries which will send buyers to the fair. He then writes to Canadian manufacturers of hardboard interested in export trade and invites them to take part in a co-operative exhibit. He describes the market and offers to canvass foreign firms to estimate their interest in Canadian hardboard and to encourage them to visit the Canadian stand at the fair. If enough firms are interested the Department proceeds with its preparations for a display at Attica. The final decision on whether Canada will participate rests with the Canadian exporter himself.

Promotion on Two Levels

The Department's approach to foreign trade fairs has changed. During the years of widespread import restrictions our exhibits concentrated on presenting graphically the progress of Canada's development and production. Now the Department feels that it is worthwhile to push a specific type of product or products at fairs in and near markets where these commodities are being or can be sold. For this reason, it has developed two types of exhibits—primary promotion and secondary promotion.

Primary promotion is used for Canadian products which have not been selling in the country where the fair is being held. This type of promotion requires a great deal of spadework; the market opportunities are assessed carefully. Complete details on the products to be exhibited are sent to the Trade Commissioner there and sometimes to his colleagues in other countries where the goods might sell. With this information, the Trade Commissioner visits or writes to prospective buyers, inviting them to call at the Canadian stand and telling them what they will see there. He also advises the Department on advertising in local business papers and trade magazines and attempts to get publicity through news stories.

Designing the Display

While the Trade Commissioner is working abroad to promote the Canadian exhibit, back in Ottawa the Exhibition Commission has prepared designs for the display. These are submitted for approval to the firms which are supplying samples. (The exact location of their product in the display is shown on the blueprint.) Once the manufacturer has agreed to participate and has sent his samples and literature to the Exhibition Commission his responsibility ends—with one exception. He should, if possible, send a representative to be in attendance at the stand. The value of sending a representative who has completed technical and sales knowledge of the product has been demonstrated again

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Where Canada Is Exhibiting, 1955-56

- *Building Trades Exhibition, London, Nov. 16-30, 1955.*
- *Second Colombian International Fair, Bogota, Nov. 25-Dec. 11, 1955.*
- *International Fair, Ciudad Trujillo, Dec. 20, 1955-Feb. 27, 1956.*
- *Royal Netherlands Industries Fair, Utrecht, March 1956.*
- *Japanese International Trade Fair, Osaka, April 8-22, 1956.*
- *International Trade Fair, Milan, April 12-27, 1956.*
- *Fur Fair, Frankfurt, April 16-19, 1956.*
- *International Trade Fair, Brussels, April 28-May 13, 1956.*
- *Comptoir Suisse, Lausanne, Sept. 8-23, 1956.*
- *Building Trades Exhibition, Manchester, October 1956.*
- *Third Colombian International Fair, Bogota, November 1956.*
- *Fourth Salon de la Chimie, Paris, Nov. 21-Dec. 3, 1956.*

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and again. The Trade Commissioner or a member of his staff is, of course, on the stand at all times. He has been well briefed about each product on display but he cannot have as accurate information as a representative of the firm itself.

The samples used in the exhibit are shipped to and from the fair by the Department, and are returned in due course to the manufacturers.

How the Trade Commissioner Helps

The Trade Commissioner keeps a record of every serious trade inquiry received during the fair and advises the Canadian firm, usually by cable, about each one. The Department defines a "serious" trade inquiry as one from a person in a business related to the commodity who wishes to receive samples and prices. After the fair, the Trade Commissioner follows up these sales possibilities until the business has been completed or until an agent has been appointed. From then on it is up to the firm—but the Trade Commissioner always stands ready to help in any way he can. An example of the primary promotion type of exhibit was the Canadian textile display at the Brussels International Trade Fair this year. Canadian textiles were not known in the Belgian market and taking them to Brussels at first seemed a "coals to Newcastle" effort. But the results justified the experiment: over 100 serious inquiries were received.

Secondary Promotion

Secondary promotion is used for products which are already established in a market but sales of which could be increased. Two good examples are the successful displays of Canadian chemicals and plastics this year at the Brussels International Trade Fair, April 23-May 28, and the British Plastics Exhibition, June 1-11. In these cases, the manufacturers have agents abroad and preliminary canvassing of foreign buyers is not necessary. The Department does, however, give careful thought to the value of the fairs chosen for this type of promotion before it recommends them to exporters, and it consults the exhibiting firms every step of the way. When they are approached by the Commodity Officers, the firms usually get an opinion from their agents abroad about the benefits of entering the fair. The Department invites these agents to attend the stand and they follow up any resulting business. The Trade Commissioner helps the agents to arouse interest before the fair opens and is on the stand while the exhibition is running.

Primary promotion of a commodity or group of commodities may be followed by secondary promotion at the same fair next year—if the market is still an attractive one. At the end of a fair the Department asks the exhibiting firms for their views on the value of Canadian participation and on the design of the display. It also secures a complete report from the Trade Commissioner covering all phases of the exhibit and its impact on the local business community.

What Others Say

Why should Canadian exporters consider exhibiting at fairs abroad? There is one good answer to this question—because other exporters have proved that a carefully selected fair, intensive market research, pre-fair publicity and a well-designed exhibit can bring new business in both established and new markets. The files of the Department yield comments like these:

From exhibitors in the Canadian textile display at the Brussels International Trade Fair 1955—

". . . it is our opinion that the exhibition was well worth the trouble we went to, and we do expect to have some worthwhile business develop through the contacts made at the Fair. . . We are very much in favour of projects of this kind."

"Our company had a representative at the stand all the time and we are very pleased with the result. . . . The interest that various people showed for our fabrics and the samples they asked for promise further orders. . ."

. . . Since that time we have received inquiries from Britain, Denmark and Finland through the Trade Commissioners or other representatives of the Canadian Government in those countries and we are now negotiating with the prospective customers on prices, specifications and samples. . . In addition to negotiations with the above-mentioned countries, we are negotiating with representatives in Holland and at the same time we will attempt to exploit this product in other European countries. . ."

From exhibitors in the Canadian chemical and plastics displays at the Brussels International Trade Fair and the British Plastics Exhibition—

"We were pleased indeed with the results of the two exhibitions and we have already received at least one trial order which can be traced directly to the Brussels trade fair."

"We have received two enthusiastic reports from our agent, and we now feel sure that your Canadian Government exhibit will open for us an entirely new market in Europe."

"I am grateful to you for your letter enclosing lists of specific inquiries made at the Canada stand, British Plastics Exhibition. . . To cast one's mind back a few months to the time when questions were being asked about the advisability of exhibiting at the British Plastics Exhibition . . . it is very pleasing to now realize how well the effort was justified . . . as is evident by the interest shown and the inquiries received."

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

H. W. RICHARDSON, Commercial Secretary in Athens, Greece, began his Canadian tour in Ottawa on April 25th and completes it in Montreal on September 7th.

S. G. MACDONALD, Commercial Counsellor in Rome, begins the second part of his Canadian tour in Hamilton on September 6. His itinerary is:

Hamilton—Sept. 6
Guelph—Sept. 7
St. Catharines area—Sept. 8
Windsor: Chatham—Sept. 9
Sarnia—Sept. 12
London—Sept. 13
Toronto—Sept. 15-23

R. K. THOMSON, Commercial Secretary in Karachi, Pakistan, begins his Canadian tour in Victoria, September 12-13. His itinerary is:

Victoria—Sept. 12-13
Vancouver—Sept. 14-23
Edmonton—Sept. 26-27
Winnipeg—Sept. 29-30
Toronto—Oct. 3-12
Hamilton—Oct. 13
St. Catharines—Oct. 14
Niagara Falls—Oct. 15
Brantford—Oct. 17
Windsor—Oct. 18
Montreal—Oct. 20-27
Quebec—Oct. 28-29
Ottawa—Oct. 31-Nov. 11

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Montreal, Quebec.

Chamber of Commerce—Hamilton, London, Niagara Falls, St. Catharines, Sarnia, Windsor.

Canadian Manufacturers Association—Edmonton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street).

General notes

Australia

TRADE PUBLICITY DRIVE IN U.K.—The Federal Cabinet has approved a program under which Australia will spend £250 thousand on a publicity drive in the United Kingdom during the next 12 months to boost sales of major food exports which earn Australia £100 million a year. This is the first stage of a program designed to meet the marketing situation which has developed in the U.K., especially the new and keenly competitive trader-to-trader conditions there. In addition to this expenditure, the Commonwealth marketing boards are expected to spend another £100 thousand during the year on promotion and publicity activities in the U.K. The Minister for Commerce and Agriculture said the campaign will meet the immediate publicity needs of major Australian food exports, such as butter, cheese, eggs, wine, dried fruits, apples, pears, canned fruits and canned meat—Sydney, Aug. 10.

NEW BUILDING BOARD—A straw building board will be manufactured under Swedish licence by Stramit Boards (W.A.) Pty. Ltd. The new board may be used for roof decking, wall lining, self-supporting partitions, fire check doors and partitions. Production is expected to start in November.

About 300 tons of local wheaten straw will be used to produce the maximum capacity of 200 thousand square yards a year. The board is made on a semi-automatic machine which rams the straw into a 300 degree extrusion chamber that sterilizes and permanently shapes the straw. Good orders have already been booked by the company—Melbourne, Aug. 11.

Brazil

FERTILIZER PLANT AT CUBATAO—The National Petroleum Council has signed contracts with two São Paulo firms, the Sociedade Paulista de Construcoes Ltda. and Sociedade de Engenharia Ltda. group, and Escritorio de Construcoes e Engenharia "Ecel" Ltda., for the construction of a fertilizer factory at the Artur Bernardes refinery. Work is scheduled for completion early next year at a cost of Cr.$43,149,602—São Paulo, Aug. 16.

Chile

HOUSING PROJECT—The local press announces that an American firm has undertaken to build 30,000 workmen's dwellings within two years at a total cost of US$100 million. The constructing firm agrees to supply the required machinery and tools. The transaction is guaranteed by the Chilean State Bank. The first 15,000 houses will be made available to the police force. Similar operations were completed by the same contracting firm in Peru—Santiago, Aug. 11.

Greece

LIGNITE MINING—A contract for lignite mine exploration and development was signed in June between the Greek Government and the Greek Chemicals and Fertilizer Company of Athens. The plant will be completed in 36 months. The contract runs 40 years and covers a tract of 110 square kilometres in Western Macedonia in the Ptolemais area. The Chemicals and Fertilizer Company will install equipment for extracting a minimum of 1·8 million tons of lignite a year which will yield at least 200 thousand tons of briquettes and 100 thousand tons of coke. This fuel will be used by the Greek State Railways and a nearby 65,000 kwh. thermo-electric power plant to be built by the Public Power Corporation. To finance these works the contractor will lay out $3 million, use $3·5 million of credits granted by German firms under the guarantee of the German Government, and a loan of up to $13 million from the Organization for the Financing of Economic Development. Expansion plans include a nitrogenous fertilizer plant—Athens, Aug. 10.

Hong Kong

EXPORTS—Value of Hong Kong-made products exported from January-June 1955 reached HK$344 million, up about 1 per cent from the HK$341 million exported in the same months of 1954. Chief buyers were the United Kingdom, $65 million; Malaya, $43 million; Indonesia, $36 million, and Thailand, $34 million. The main export groups were cotton piecegoods, $90 million; cotton yarns, $45 million; footwear, $37 million; shirts, $30 million; enamelware, $27 million; cotton singlets, $26 million and torches, $25 million.

During the six months, Canada bought $5·1 million of the Colony's manufactures, mostly rubber-soled footwear. This was double our 1954 purchases of $2·1 million—Hong Kong, Aug. 10.

EXPORTERS' ASSOCIATION FORMED—An exporters' association has been incorporated in Hong Kong to handle export problems. Its aims are to develop overseas markets, disseminate information, eliminate malpractices, arrange for arbitrations, solve trading problems, and raise the prestige of Hong Kong products. Members will be export merchants and manufacturers whose firms have export departments. The new organization has already received commendation and pledges of support from the Government of Hong Kong, the Chinese Manufacturers' Union, and Chambers of Commerce in the Colony. Its address is Hong Kong Exporters' Association, Hong Kong—Hong Kong, Aug. 9.

Northern Ireland

IMPORTS FROM CANADA—Increased imports from Canada into Northern Ireland have resulted from the latest relaxation of control by the British Board of Trade. Quotas for hardwoods from dollar sources were announced in March and for certain canned fruits in April. Northern Ireland importers have taken full advantage of these releases though the allocations, particularly in the case of canned fruits, are only a fraction of the potential demand—Belfast, Aug. 19.

Sweden

TRAVELLERS' REGULATIONS—Effective July 1st, travellers entering or leaving Sweden may take without a licence travelling effects and goods valued up to 2,500 kronor. These goods may not be used in trade. A licence is not required for vehicles or fuel to be used on the journey—Stockholm, Aug. 16.

Turkey

TURKISH BANK RATE UP—The Central Bank of Turkey has increased the bank rate from 3 per cent to 4½ per cent in an effort to restrict credit and fight inflation. The 3 per cent rate had been effective since February 1951. The Central Bank's move was immediately followed by an adjustment of commercial bank interest rates and a noticeable drop in the gold market. A fall in land and property prices is already apparent. Investments in land and property were high in recent months, but now it seems probable that much of this money will be channelled into the banks. Interest rates now rival income from freehold investments and relieve the investor of the many formalities and complications which the latter form of security involves—Athens, Aug. 4.

United States

NUCLEAR REACTOR TECHNOLOGY—A new method of using a nuclear reactor to produce large quantities of gamma radiation, free of neutrons and at relatively low cost, has been developed by a Massachusetts firm. As a result, many processes based on the use of penetrating radiation may become commercially possible. Because of the absence of neutrons, materials thus treated will not become radioactive. Applications of gamma radiation treatment cover a wide area and include the "cold" sterilization and pasteurization of food products and pharmaceuticals, the initiation of chemical chain reactions, and the enhancement of properties of organic materials—Boston, Aug. 18.

PORCELAIN ENAMEL METHOD—A Michigan company has developed a new porcelain enamel method that eliminates the costly and time-consuming ground coat phase. The new material makes it possible to apply the porcelain enamel finish coat directly to ferrous metals.

After development and testing in the company's laboratories, the product was field-tested in a production plant for two years with the co-operation of a leading appliance manufacturer. The new method has demonstrated that it produces a better finished product, with important cost reductions through bypassing the conventional ground coat and nickel flash steps—Detroit, Aug. 19.

Venezuela

FOREIGN INVESTMENT—The Banco Central de Venezuela reports that foreign investment, including the ever-important petroleum industry, amounted to almost Bs. 11,000 million or approximately $3,300 million at the end of 1953. The petroleum industry accounted for Bs. 9,695·46 million or 88·54 per cent of the total. The remainder was made up of mining Bs. 733·53 million (6·74 per cent); industry 270·54 (2·48 per cent); commerce 76·58 (0·70 per cent); banks 56·65 (0·53 per cent); construction 37·03 (0·33 per cent); services 34·34 (0·31 per cent); insurance 27·74 (0·25 per cent), and agriculture 13·20 million (0·12 per cent). The sources of foreign investment are given as 60·63 per cent from the United States, 25·35 per cent from the Netherlands and 12·02 per cent from the United Kingdom. The fourth in order of importance is Canada but no percentage is noted. Spain ranks fifth—Caracas, Aug. 15.

West Germany

GERMAN-AUSTRIAN HYDRO POWER PLANT—The biggest European river power station, Jochenstein at the German-Austrian border, was opened at the beginning of July. The plant uses the waters of the Danube and was financed and built by a joint German-Austrian firm. Machine power is said to be 140 thousand kw. and will supply 920 million kwh. in normal years to both countries. Three of the five turbines are already running; the plant is scheduled for completion in 1956—Bonn, Aug. 16.

This fascinating Cape Town market, though not the one discussed in this article, always draws a crowd. Devoted to second-hand goods, it is held twice a week in front of the City Hall; Table Mountain can be seen in the background.

CAPE TOWN

With a population of 600 thousand and serving an area with growing production and resources, this South African city deserves attention from Canadian exporters, though type of imports is changing as domestic industry develops.

A. WORDEN EVANS,
Trade Commissioner, Cape Town.

CAPE TOWN, now more than 300 years old, has come a long way since the days when it was a stop-over for the Dutch East India Company's ships on their journey to the Orient. Because of its adventurous history, the name conjures up many pictures scarcely related to the prosperous modern city of today, with its population of over 600 thousand, of whom less than half are whites. Artificial works allied to natural facilities have given it one of the finest harbours in South Africa. A plentiful labour supply, combined with a measure of import control, has led to rapid development of secondary industry. Expansion of agriculture in the hinterland has helped to increase this prosperity. These changes mean a greater market for imported goods but the rise of secondary industry has changed the character of these imports to some extent.

Why has Cape Town become a market worth catering to? First of all, it is the second major port of the Union through which pass some 30 per cent of its imports and 25 per cent of its exports. To provide the modern port facilities was a major task, involving the filling in of a large area in front of the city and the erection of an enormous breakwater to form a basin capable of holding all but the largest of ships. The imports that move over the wharves are for the most part typical of those of the rest of the Union—a wide range of consumer goods, machinery and farm implements, raw materials for secondary industry, newsprint for the presses. Exports consist of manufactures from the same secondary industry and products of the thriving fisheries and of the surrounding agricultural area—everything from fine wines to frozen rock lobster tails.

Industrial Development

Second, secondary industry has shown an astonishing development since the last war. The impetus resulting from wartime scarcities was carried further because of shortages brought about by import control. The wealth of labour available and the favourable location resulted in the production of a wide range of products —textiles, boots and shoes, fisheries products and all sorts of clothing, to name a few. This growth is continuing but at a much slower pace. Bottlenecks have appeared, such as the shortage of management personnel and engineers and of electric power. The completion of a new power station should remove one of these obstacles.

Progress in Farming and Fishing

The discovery of vast runs of pilchards and other fish off the west coast of the Cape has led to the development of a large-scale fish processing industry almost

ateway to a growing market

overnight, bringing unexpected prosperity to remote coastal areas. Held to an annual quota of 250 thousand tons, the industry is now producing canned pilchards and other fish, fishmeal and fish oil. In addition, the fresh fish industry has been modernized and, using the new freezing techniques, is finding export markets in adjacent countries as well as a growing market in the interior of the Union itself.

The agricultural hinterland, nourished by a comparatively regular rainfall, produces a rich variety of products. There is a thriving dairy and a beef-raising industry. Sheep farming to produce both meat and wool is also popular. The fruits include the citrus and deciduous varieties and the Cape is well known for the quality of its grapes, which are exported in large quantities to the United Kingdom and other European markets as well as being made into wine.

The Market There

All these developments in the area which Cape Town serves have influenced the market potential there. It should be borne in mind that, of its 600 thousand population, 372 thousand are non-whites—mostly Coloured, but with some negroes, Malays, and East Indians. The people are conservative in their traditions and liberal in their outlook. Life moves at a slower pace than in Canadian cities or even in the other centres of South Africa.

COMPARATIVE GROSS WEEKLY WAGES

Industry	*Years*	*Clerical* £. s. d.	*Artisans* £. s. d.	*Semi-skilled* £. s. d.	*Labourers* £. s. d.
Tea, coffee and chicory	1943	6. 2.11	7. 0. 0	4. 1. 0	1.18. 0
	1955	9.16.11	10.15. 6	7. 8. 0	2.16. 6
Chemical manufacturing	1943	5. 4. 5	7. 6. 0	2. 5. 0	1.13. 0
	1955	9. 7.11	12. 8. 0	3.14. 9	3. 3. 3
Commercial distributive trade	1943	5.16. 1	8. 2. 1	2. 8. 0	2. 0. 6
	1955	9.16.11	13.15. 8	3.17. 3	3. 3. 3
Clothing manufacturing	1943	5. 6. 6	5. 6. 6	4. 3. 0	1.16. 0
	1955	10.15. 4	11. 2. 6	8. 8. 0	3.13. 6
Vinegar and office paste	1943	5. 4. 5	6.19. 6	1.18. 0	1. 9. 0
	1955	9. 7.11	11. 8. 0	3. 5. 9	2.15. 9
Paint and polish	1943	5. 4. 5	6. 7. 6	2. 3. 0	1.10. 6
	1955	9. 7.11	11. 8. 0	3. 9. 9	2.18. 3
Mineral water	1943	5.11. 4	7. 6. 0	1.18. 0	1.12. 0
	1955	8.11.11	10.18. 0	3. 3. 3	2.11. 9
Preserved food	1943	6. 2.11	7. 0. 0	3. 2. 0	1.11. 0
	1955	8.11.11	10.17. 6	5. 0. 3	3. 3. 3
Soap and candle	1943	5. 4. 5	5.19. 6	2.19.11	1.10. 0
	1955	9. 7.11	10.17. 6	4.15. 6	2.16. 3
Candy manufacturing	1943	6. 2.11	6.19. 6	2.14. 6	1.15. 6
	1955	9. 7.11	11. 8. 0	5. 3. 3	3. 2. 9

Purchasing Power

Wages in Cape Town since the war have gone up substantially and the standard of living has shown a definite rise with full employment. The table below shows wages earned in a representative group of industries.

Where does the money go? The lower income groups naturally have little left after paying for essentials. Yet today more people are wearing shoes than ever before and many of these shoes contain Canadian leather.

Cape Town has several modern department stores which, as import control eases, carry an ever-widening range of goods from every corner of the globe. An increasing amount of the merchandise displayed is made in South Africa. These goods are now the focal point of a campaign "Buy South African", organized with the idea of alleviating the impact on domestic industry of the removal of import control.

Much of Cape Town's business is done on credit. Monthly charge accounts are the rule rather than the exception and instalment sales are popular. Prices for radios, refrigerators, etc., displayed in shop windows are always given both for cash and instalment purchase.

A Market for Canada

Canada is a major supplier to the Cape area. The newspapers are to a large extent printed on Canadian newsprint. We supply leather for shoes, timber for building and the furniture trade, textiles for the garment plants, and consumer goods ranging from canned salmon to washing machines and nylon stockings.

Canadian businessmen who visit South Africa should not omit Cape Town from their itinerary. It ranks high in importance as a commercial centre and serves as a distribution point for a large part of the Union. Its different character will be of interest from the sales point of view; the visitor will discover that products which gain ready acceptance in Johannesburg are not always popular at the Cape. Here is a growing market, with a wide base for the prosperity which it enjoys.●

Banking Abroad

EGYPT

M. R. M. DALE, *Commercial Secretary, Cairo.*

THE FIRST COMMERCIAL BANKS were established in Egypt as independent institutions in the second half of the 19th century but they were branches of foreign banks with head offices abroad. Banking activities were first confined to foreigners and bankers limited themselves to the financing of the import and cotton trades. The first Egyptian bank was created in 1920. A number of Egyptian banking companies were originally formed to take over the branches in Egypt of some of the foreign banks.

Apart from the National Bank of Egypt, which is the State's central bank, commercial banks in Egypt authorized to deal in foreign exchange are the following:

Clearing Banks:

Banco Italo-Egiziano
Banque Belge et Internationale en Egypte
Banque Misr
Banque Nationale de Grece et d'Athenes
Barclays Bank (D.C. & O.)
Commercial Bank of the Near East Ltd.
Comptoir National d'Escompte de Paris
Credit Lyonnais
Import & Export Bank of Egypt
Ionian Bank Ltd.
Ottoman Bank

Non Clearing Banks: (Do not enjoy privileges of clearing house.)

Arab Bank Ltd.
Arab National Bank
Banca Commerciale Italiana per l'Egitto
Bank of Tokyo
Banque de Commerce
Banque du Caire
Banque Mosseri
Banque Zilkha
Commercial Bank of Egypt
Credit d'Orient
Egyptian Arab Bank
National City Bank of the State of New York
Turkiye Is Bankasi

In addition, the American Express Co. Inc. and Thos. Cook & Son Ltd. are authorized to deal in foreign exchange for travelling purposes only.

Of these 24 banks, eleven are Egyptian limited liability companies, three are British joint stock companies, two are registered in France, two in Turkey, two in Palestine, one in Greece, one incorporated in the United States and one in Japan. Only one bank is registered as a partnership. Of the eleven Egyptian limited liability companies, two are subsidiaries of Italian banking Corporations, one forms part of the group controlled by a French nationalized bank, and another is tightly linked with a Belgian banking corporation.

Bank Branches Few

Selection of foreign correspondents for branches in Egypt of foreign banks and for Egyptian limited liability companies controlled by foreign banking institutions is, in principle, decided by their head offices. Therefore, contacts to develop business in Egypt should be initiated with the head offices of these institutions.

Egyptian banks do not operate many branches. Seven banks have only one office, either in Cairo or in Alexandria. Nine banks have two offices in these two cities. One bank has three offices, two have four offices, and one has eight offices. Only four banks have ten or more offices: Banque Misr, Barclays Bank (D.C. & O.), Ottoman Bank and Ionian Bank Ltd.

There are two clearing-houses in Cairo and Alexandria but only the first eleven banks are members.

Banks are permitted to keep working balances in foreign currencies only within their normal requirements. They purchase foreign currencies from the National Bank of Egypt and any excess balance must be sold to this bank at the end of each week.

Since Egypt left the sterling area in 1947, the importance of the Egyptian pound in Egypt's relations with 'foreign countries' has grown and dependence on sterling at the same time decreased. Now over 50 per cent of Egypt's payments are effected through payments agreements signed with 25 countries, providing in most cases for settlement either in Egyptian pounds only or in both Egyptian pounds and the currencies of the countries concerned.

Buying and selling rates to banks for sterling are 1·0/00 under or above parity rates and for other

currencies, rates are 2·0/00 under or above parity rates.

The banks mentioned above may, subject to conforming with exchange control regulations, effect the following operations in Canadian or United States dollars, without prior reference to the Central Exchange Control:

- Payment for imports covered by import permits.
- Other current commercial payments, such as normal commissions, charges and expenses due to banks, commissions and expenses due by importers or exporters, supervision charges and controllers' fees, storage charges and expenses on goods sent on consignment, insurance premiums in respect of exports, etc.
- Normal travel allowances within the permitted limit.
- Certain other transactions.

For the first item, banks must adhere strictly to the particulars given in the import permit. The import permit usually indicates the names of the importer and exporter, the description and quantity of the goods, the final date of shipment, the total value, the currency and the means of settlement. Any deviation from the particulars given on the permit should be first approved by the import licensing department. This explains why it takes time for amendments to the terms of the documentary credit to be confirmed by the banks, even if the customer gives immediate approval. For payments in advance exceeding £E100, banks should obtain special authorization from the Central Exchange Control.

For export transactions, apart from payments under documentary credits or cash against documents, the Central Exchange Control normally allows settlement of exports to Canada against bills of exchange due between three to six months.

Collection Procedures

There is no regulation requiring collections to go to a special bank nor through a central city. However, as a matter of fact, apart from Cairo (which is the main centre for import trade) and Alexandria (through which 9/10 of Egypt's export trade is carried out), few foreign operations are effected through the other cities. Bank staffs in Cairo and Alexandria are better acquainted with exchange control regulations and procedure.

The procedure followed in handling collections is to advise the drawee by registered letter to call at the bank for paying or accepting the bill.

As the United States dollar rate is fixed, Egyptian merchants prefer to deal with Canada in this currency. Canadian exporters are therefore advised to quote in United States dollars. This is particularly true as the market for the Canadian dollars Import Entitlement Account is much narrower than that of the United States dollars Import Entitlement Account.

Most of the banks which deal in foreign exchange are either active or associate members of the Egyptian Banking Association. This association deliberates on banking problems and takes care, as a group, of the banking profession. Its members agree on minimum charges, rates of interest and commission applicable to most of banking operations. It may be useful to mention that bank commission and charges on cotton export operations are generally slightly lower than the normal charges and commissions on other operations and that commissions on documentary credits and letters of guarantee for tenders are calculated every three months or a fraction thereof.

Special Customs

The Egyptian commercial code was published in 1883. Though certain amendments have since been introduced and certain subjects dealt with in separate laws, it is not suitable for modern banking: for example, the term "cheque" does not exist in the commercial code. The clause "value received" is still required for the validity of bills. However, the legal section of the Egyptian Banking Association deliberates from time to time on legal rules regarding banking and Egyptian courts in their decisions are generally inspired by definitions given in international conventions and also by the French law on banking operations. A project for drafting a new modern commercial code was initiated in 1946. Banks in their relations with customers supplement the silence of the code by stipulating more or less standard European provisions in their dealings. Instructions covering the opening of documentary credits contain, for example, the clause "subject to uniform rules and usages relative to documentary credits adopted by the XIII Congress of the International Chamber of Commerce".

It is of interest to note the following customs followed by banks in Egypt:

1. From September to March, the peak of the cotton season, banks call on the National Bank of Egypt for accommodation in the form of advances against the re-pledging of cotton, British securities lodged in London or Egyptian securities in Egypt, or by rediscounting bills. During the summer banks hold cash reserves in excess of the legal minimum reserve ratio of 12½ per cent because of the lack of outlets for short-term lending in the dead season.

2. The aggregate of bills discounted is relatively small. Statistics show that a large number are returned unpaid.

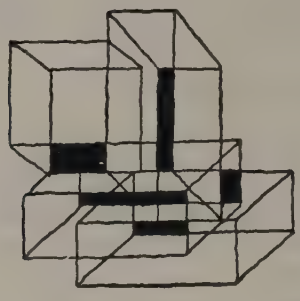
3. The bulk of daily payments is made in cash and only a small share is made by cheque. This explains

why the average value of cheques cleared through Egypt's clearing houses is far higher than that of cheques cleared in other countries, because the major part represents government payments, cotton settlements, expenditure on imports and transactions on the stock exchanges.

4. The average value of cheques cleared in Alexandria is usually higher than the cheques cleared in Cairo, as the major part of the cotton export trade is carried out in Alexandria.

A year ago, a Banking Studies Institute sponsored by the Central Bank together with the commercial banks was created to develop studies on banking in Egypt.

Banks are open to the public from 9 to 12 a.m. and from 4 to 5 p.m. for the period from November 15 to February 14. For the rest of the year, banks are open from 9 to 12 a.m. only. On Fridays, banks open only from 9 to 11.15 a.m. all through the year. They close on Sundays.



commodity notes

Brazil

BANANAS—Shipment of 4,486,395 bunches of bananas from Santos during the first third of this year set a record; 84 per cent were for Argentina, 10 per cent for the United Kingdom, and under 6 per cent for Uruguay. Insignificant shipments went to French Morocco, Finland and the Netherlands. If the present rate keeps up, shipments for the year should total about 13·5 million bunches. Biggest previous year was 1939 with 11·9 million bunches—São Paulo, Aug. 2

COFFEE—Brazilian coffee shipments in June totalled 1,361,452 bags, of which 1,320,442 bags were exported abroad (830,813 bags to the United States), 40,577 bags were shipped coastwise and 433 bags were consumed on board. The carry-over of coffee in national ports by June 30th was 3,238,927 bags—São Paulo, Aug. 2.

Cuba

SPONGES—The once important export trade in sponges (70,000 kilos, valued at $1,044,000 in 1944), mainly concentrated in the port of Surgidero de Batabanó, directly south of Havana, has gradually dwindled to a mere 25,000 kilos ($118 thousand) in 1954. An unknown disease that damaged the beds years ago, falling prices, competition for the available labour from the more profitable bonito, lobster and shrimp trades, and the inroads of synthetic sponges have all been factors in the present decline—Havana, Aug. 9.

AVOCADOS—Exports of avocados improved in 1954 to a volume of 3,931,259 kilos valued at $141,334 compared with 1953 exports of 3,103,014 kilos valued at $120,915. The chief market for Cuban avocados is the United States—Havana, Aug. 9.

India

RAYON AND ARTIFICIAL SILK—The Indian staple fibre industry is establishing itself in the face of keen foreign competition. Formerly, the textile industry complained that domestic production could not provide the varieties of staple fibre needed. However, one producer has recently manufactured 1·2 deniers in all shades of staples. This synchronizes with the Government's ban on imports of non-dollar area cotton, excluding Egyptian. Staple fibre of 1·2 deniers is useful in the production of 60 to 80 counts, and can replace East African cotton for mixing purposes—New Delhi, Aug. 3.

Indonesia

TEA—Effective July 1, Indonesian export duties on leaf teas have been lowered for an unspecified period to 0·34 rupiahs per half kilogram, and on dust and

fannings to 0·26 Rp. per half kilogram. This almost halves the rates in force during the second quarter of the year—Djakarta, Aug. 4.

South Africa

GOLD—South African gold production reached an all-time high of 12·7 million ounces in the year ending June 30. Three new mines were opened, boosting the millings over 62 million tons for the first time in five years. A revenue of £158·6 million was a £14·5 million increase over the previous year, but over 90 per cent of the increase was absorbed by additional costs of production—Johannesburg, Aug. 9.

FRUIT—Exports of deciduous fruit for the 1954-55 season up to the end of May 1955 totalled more than 68,000 tons, a record, and some 16,000 tons higher than the same period of 1953-54. Exports of citrus fruit are expected to reach the record figure of 6,750,000 cases—Cape Town, Aug. 5.

Spain

MOTORCYCLES—The Spanish motorcycle industry, though still small compared with that of other nations and still restricted to lighter powered models, is increasing constantly. It is estimated that 64,000 units will be built this year and 100 thousand in 1956; last year's output was 42,000 machines. In 1948, when the industry was started, only 2,000 machines were built—Madrid, Aug. 11.

TOBACCO—Tobacco production in Spain has been increasing in recent years. In the season just ended, 31·5 million kilos of all types were harvested, but in 1939 the crop amounted to less than five million kilos. It is estimated that the coming crop will total approximately 35 million kilos. The trend has been towards the cultivation of a lighter-coloured or Virginia-type tobacco, some of which is now being exported—Madrid, Aug. 11.

Taiwan

TEA—Taiwan tea exports for the six months ended June 1955 totalled 2·15 million kilograms—less than half the 5·4 million kilograms exported in the same six months of 1954. During the half-year Canada took 24,873 kilograms—Hong Kong, Aug. 3.

Turkey

STEEL—The state-owned iron and steel mill at Karabuk is doubling its capacity to 300 thousand tons of finished steel a year. In addition to blast furnaces, coke ovens and sintering plants that have been completed since 1950, a centrifugal pipe mill was added in 1954. New rolling mill facilities will produce 150 thousand tons of bars and rods and 75,000 tons of rails and sleepers when completed next year. Karabuk will also manufacture 15,000 tons of sheet and 60,000 tons of special sections per year—Athens, Aug. 4.

United Kingdom

CHINA CLAY—Exports of Cornish china clay in 1954 totalled 570 thousand tons valued at £3·5 million. These figures were substantially higher than the corresponding 1953 figures of 476 thousand tons worth £2·8 million. Total production of china clay in recent years has varied between 800 and 900 thousand tons. North America as a whole takes between 20 and 25 per cent of total exports. The most important user is the paper industry, followed by the china-makers—London, Aug. 19.

PIANOS—In 1954, British manufacturers produced some 21,000 pianos, worth approximately £2·2 million. Of this, 13,500 pianos valued at £1·5 million were exported; the remainder were sold on the domestic market. Exports in the first quarter of 1955 totalled 4,000 pianos, some 20 per cent more than in the corresponding period last year. British manufacturers now claim over 60 per cent of world exports of pianos—London, Aug. 19.

West Germany

PAPER—Production of West German paper and wood pulp industries in 1954 expanded notably. Paper and cardboard production increased by 16·9 per cent, wood pulp by 16·4 per cent, and mechanical wood pulp by 17·7 per cent. This rise is matched by an increase in paper consumption in the German Federal Republic. Per capita consumption of paper amounted to 50 kilos (approx. 110 lb.) in 1954, compared with 38 kilos (approx. 84 lb.) in 1951—Bonn, Aug. 17.

PHARMACEUTICALS—West Germany's pharmaceutical production increased to a value of DM1·08 billion in 1954 (1953: DM992 million). Pharmaceutical exports rose during the same period by over 19 per cent, to DM262 million—Bonn, Aug. 17.

VOLKSWAGEN—A daily output of 1,200 to 1,250 cars was forecast recently by the general manager of the Volkswagen Works. During the same period the export quota is expected to rise from 45 to 55 per cent. Best customers are at present Sweden, the United States, Belgium, the Netherlands, Switzerland, and Austria—Bonn, Aug. 17.

Japan Boosts Its Exports

Encouraging rise in exports to both dollar and sterling areas has brought favourable foreign exchange balance for first half of 1955. Trade gap with Canada narrowed.

R. F. RENWICK, *Commercial Secretary, Tokyo.*

THE FIRST HALF OF 1955 brought an impressive rise in Japanese merchandise exports. At $887·7 million, they increased 23·2 per cent over the first six months of 1954. For the month of June alone, receipts of foreign exchange totalled $226 million and payments $173 million. This contributed materially to the favourable January to June figures which reveal income of $1,205 million and payments of $1,065 million—or an excess income of foreign exchange of $140 million, compared with a $177 million deficit for the same months of 1954. This is the first time since the boom year of 1952—the result of the Korean War—that the balance has been in Japan's favour for the first half of the year. Total merchandise exports for 1955 are now expected to exceed $1,800 million because the favourable trend will probably continue for some time. Earlier this year, exports had been estimated at about $1,620 million.

Japan's foreign exchange reserves on June 30th were placed at $1,200 million. However, this figure includes deferred receipts for exports, delayed repayments on cotton loans, and open account dollar earnings going to Indonesia and Korea which, under alternative accounting procedures, would reveal actual total holdings of about $700 million.

Exports to Dollar and Sterling Areas

Exports to dollar area countries, at $326·3 million, were up 43·4 per cent over the first half of 1954. The prosperous United States imported $186·4 million, a startling increase of 73·5 per cent over its purchases last year. Shipments to Okinawa, mainly of building materials, amounted to $20·4 million. Sales to sterling area countries were also sharply up to $353·5 million, a further 59·7 per cent increase. Hong Kong importers bought heavily of Japanese woollen and synthetic textiles and exports to this market reached $41·1 million, or 20 per cent more than in comparable months of 1954. The United Kingdom more than doubled its imports from Japan; large shipments of salmon, trout, and other provisions helped swell the total to $32·2 million.

Only exports to countries with whom Japan has open-account payments agreement showed a different trend. Total open-account exports shrank 23 per cent from a year ago, to $208·9 million. Indonesia, which was Japan's second largest customer in 1954, bought only $27·9 million worth of goods, or 60 per cent less, in the first half of 1955. Exports to Korea diminished by 68 per cent to $7·3 million. Argentina was an exception, taking $27·2 million worth, including heavy shipments of steel products.

Export Trends

Japanese export prices have trended downward since 1951 but now they exceed the international level by a small margin. The latest Japanese Government *Economic White Paper* states that the country has responded to the fiscal austerity policy inaugurated in November 1953 and that inflation has been checked. All of these conditions have helped Japan sell abroad. It is also generally conceded that increased exports were made possible by prosperous international business, particularly in the United States, and by the relaxation of sterling area import restrictions. Prompt deliveries have also been a factor, as witnessed by new records established in the sale abroad of Japanese ships. Textiles remain Japan's most important export but in the period under review cotton goods dropped to second place, behind iron and steel products. Machinery exports ranked third, followed by synthetic textiles.

Imports Curtailed in '55

Japan's payments for the first six months of 1955, totalling $1,065 million, consisted of $905 million for merchandise and $159 million for non-trade items. King cotton, rice, wheat, petroleum, wool, sugar and iron ore rank as Japan's main imports; however, total purchases—and particularly those of rice and wheat—were lower by $230 million compared with last year. Consumer buying of imported goods has also decreased. Restrictions on imports and the tight money policy has forced householders and corporations to economize, and this has had the desired effect on foreign exchange accounts. Trade officials are now more optimistic but they still realize that there is no other way to feed, house and clothe 88 million souls, much less to raise their standard of living, but to secure the all-essential

food and raw materials abroad, in trade for manufactured products.

Japan-Canada Trade Gap Narrows

It is not yet possible to estimate accurately the total 1955 trade between Canada and Japan, but there is little doubt that the traditional trade gap resulting from the exchange of large quantities of wheat, barley, and Canadian primary industrial materials for a wide range of sundry goods will be narrowed this year. Canadian imports from Japan have been increasing steadily since the war. This year Japanese export trade statistics show that shipments from Japan to Canada totalled $17,086,000 for the six months ending June 30th, a substantial increase over a year ago. Exports of cotton goods, steel products, and machinery all rose. In May, cargoes of alumina started to move out of Japan to the Kitimat aluminum reduction plant. These continued shipments promise to become a significant factor in increasing Japanese exports to Canada.

Following the general decrease in Japanese dollar imports, Canadian sales to Japan to May 31st dropped to $13·3 million from the $47·6 million of 1954. This year Japan does not need as large quantities of Canadian barley or wheat and is importing more iron ore from Malaya and the Philippines rather than from British Columbia mines. A decline in sales of whisky, flour (clears), dissolving pulps, bookkeeping and calculating machines, and polystyrene more than offset increased Canadian exports of flax and other seeds, hides, tallow, titanium slag, magnesium, and miscellaneous drugs and chemicals, all important trade commodities. At the year-end, Canadian exports will still form the largest percentage of Japan-Canada trade but the surplus of $77·5 million in 1954 and $105 million in 1953 will undoubtedly be smaller.

Australia Takes Stock

Fiscal year which ended June 30th brought trading deficit, partly because of imports needed for development projects. Some import curbs in force, but restrictions against dollar goods have been relaxed slightly.

J. C. BRITTON, *Commercial Counsellor, Sydney.*

BUSINESS ACTIVITY IN AUSTRALIA continues brisk, with no indication of any slackening within the next few months. The country is enjoying full employment with substantial industrial expansion under way and further projects in view. Production in a number of fields other than agriculture falls short of demand and in these areas a seller's market prevails. Imports have been running well ahead of exports, with the result that Australia had a deficit in visible overseas trade of £68 million for the fiscal year that ended on June 30th. There was, furthermore, a record budget surplus of £70 million for the year. Wage increases have already been granted in certain trades to meet the gradually increasing cost of living; strikes, or the threat of strikes, are prevalent in others. The year as a whole witnessed outstanding progress, tempered by the fact of inflationary pressures and an uncertain outlook for exports in the year to come.

The deficit in visible overseas trading for the year was in direct contrast to the surplus of £146 million for the fiscal year 1953-1954. Imports increased sharply from £681 million in the fiscal year 1953-1954 to £843 million in 1954-1955. Exports, largely because of a decline in prices for primary agricultural products, fell from £828 million in 1953-1954 to £775 million for the fiscal year just ended. Sales to the United Kingdom—the most important market—totalled £259 million for the first eleven months of the fiscal year compared with £281 million for the corresponding period in 1953-1954. Imports into Australia from the United Kingdom in the same period increased by £49 million to £343 million.

Import Quotas Unchanged

The Australian Government announced at the end of June that there would be no change in the import licensing quotas for the present quarter—July-August-September. The most recent restrictions on imports, effective from April 1st, will probably not affect the actual rate of imports for several months because of the time lag between the issuing of licences and the

delivery of the goods in Australia. As a matter of policy, applications for new and increased import quotas are only granted for commodities deemed essential to the national economy. In general, imports into Australia from the dollar area are restricted to essential commodities. Nevertheless in recent months Australia has considerably liberalized its restrictions against dollar goods and this has meant new or increased trading opportunities for Canadian exporters. Canadian exports to Australia have increased considerably from $22 million in the first six months of 1954 to $28 million in the same period of 1955.

Wool Sales Well Maintained

The wool sales which closed early in July were expected to exceed £350 million. This is the fourth highest return on record, although smaller than the £390 million of the previous year. The National Council of Wool Selling Brokers reports that, although wool prices were down from 12 to 15 per cent from the previous year, the market remained stable. The soundness of the market resulted from purchases by the United Kingdom, which were higher than those of any other country. Sales for the new season begin at the end of August and the strong demand for Australian merino wools is expected to continue. Forecasts call for earnings from wool sales at, or slightly above, those for the year just past.

Wholesale Stocks Higher

Wholesalers' stocks in Australia are reported to be higher than they were a year ago. The credit curb instituted by the banks in recent weeks is becoming effective and, coupled with the reduction in imports instituted in April, has imposed a virtual ceiling on stock build-ups for the immediate future. The concensus in the wholesale trade is that business prospects over the next few months are very good. In the engineering supply trade, stocks are reasonable at the moment but machinery and machine tool importers are already feeling the effects of import restrictions. Certain types of soft goods, including piece goods, are in plentiful supply; so are certain categories of electrical consumer goods and glassware. The overall outlook in the wholesale trade is buoyant and because this constitutes a usually reliable barometer of economic activities in Australia, favourable conditions are expected to continue over the next few months.

Instalment Sales and Price Controls

Instalment sales financing in Australia, it is estimated, has increased at twice the rate as in the United States since 1953. Many attribute this increase in consumer credit to the long period of full employment here in Australia. It has been suggested that the present pace of instalment buying is too fast but so far there is no sign of measures to curb it.

The Government of New South Wales has authorized the re-introduction of price controls on essential consumer goods and services entering into the cost of living. The commodities to be reviewed by price control authorities in New South Wales include cheese, bread, flour, cereals, cigarettes, tobacco, petroleum products, clothing, fresh vegetables and rentals. Controls were lifted on many of these between December 1954 and April of this year. It is reported that other States (i.e., South Australia and Tasmania) will take similar action in an effort to prevent any further increase in the prices of commodities affecting the cost of living index. Since June 1954, food and groceries in the "C" series index have advanced by 4·8 per cent; the overall rise has been 2·1 per cent.

The Outlook

The speedy rate of development in Australia has been primarily responsible for the acceleration in imports over the past year. Because imports at the current levels cannot be maintained from present export earnings, steps were taken to restrict them in April. Industrial and business expansion is being financed to an increasing extent by public and private investment, which amounted to 25 per cent of Australia's gross national product in fiscal year 1953-1954. If the present development pace is to be maintained, opinion is that Australia will have to seek additional investment funds abroad. Meantime, virtually buoyant conditions prevail and the future looks promising.

Electronically Controlled Parking Lots

Electronically controlled parking lots, which operate 24 hours a day without attendants, have been opened at four points in Detroit, including an educational and medical institution. Only those entitled to parking privileges are admitted to these lots. An electronic device controls the entrance and exit gates, and the mechanism is worked by a card which serves as a "key" for the holder of the space. When the card is inserted in a slot the gate opens. As the car rolls into the parking lot, the wheels pass over a treadle which closes the gate. The same operation takes place at the exit. Parking spaces are arranged in lanes for easy access. The system gurantees monthly rental collections because each month the cards have a different code combination. The combination of the mechanism is changed, new cards issued and rentals collected. The device can operate with coins or cards or both.

trade and tariff regulations

Belgium

DISCOUNT RATE RAISED—On August 4th, the Belgian National Bank raised its discount rate by ¼ of 1 per cent which brought it up to 3 per cent. This is the first change in the discount rate since October 29, 1953. At that time the rate was reduced from 3 to 2¾ per cent. Belgium was an important creditor of the EPU, dollars were coming in in abundance, and the tendency through the world was towards cheaper money.

The year 1955 has marked a reversal of this trend towards cheaper credit and it is interesting to note the number of countries that have increased their official discount rate this year:

Country	Date	Old Rate (in per cent)	New Rate (in per cent)
Austria	May 20	3½	4½
Great Britain	January 28	3	3½
	February 23 ...	3½	4½
Norway	February 14 ...	2½	3½
Sweden	April 19	2¾	3¾
United States	April 15	1½	1¾
	August 5	1¾	2
West Germany	August 3	3	3½

The Belgian authorities made this move to put a brake on the expansion of credit. It affirms that it is better to make this small increase of ¼ of 1 per cent now in an effort to curb the ascending trend rather than to wait until such time as a substantial increase in the discount rate might be called for—Brussels, Aug. 5.

British Guiana

IMPORTS OF PORK PRODUCTS RESTRICTED—The import into British Guiana of swine, ham, bacon, lard, hoofs, bristles, hides and any other by-products of swine from the United States, the Netherlands and Denmark was banned by an Order in Council made public on July 2nd. Only canned pork products were exempted from the order and can still be imported.

A new government-sponsored pork processing plant had recently been opened and there was some criticism that the ban was designed to protect the home market from competing imports. This has since been denied by the Minister of Agriculture, who stated that only foot-and-mouth disease security measures were involved—Port-of-Spain, July 28.

Federation of Rhodesia and Nyasaland

IMPORT CONTROLS—The Federal Government has announced its program for the import of goods from dollar sources for the last half of 1955. The only item added to the unrestricted list is electrical spares. (For commodities already on the unrestricted list see *Foreign Trade* of January 22, 1955, page 31). The reason given for the failure to permit further relaxations for dollar purchases was the increased purchases from the dollar area resulting from previous relaxations, and the reduced income from copper exports to the dollar area during the first half of the year.

Currency allocations have been established for the second-half of 1955 to import the following goods from the dollar area. For comparison, allocations are given for the previous six-month period.

	Currency Allocations	
	Jan.-June 1955 £	*July-Dec. 1955* £
Wheat	50,000	50,000
Cigars	3,000	3,000
Electrical spares	20,500	unrestricted
Commercial and passenger vehicles	470,000	470,000
Materials for lighting manufacturers	10,500	15,000
Materials for radio manufacture	4,000	18,000
Oil company pumps and maintenance	9,000	8,100
Venetian blind hardware ...	1,500	2,000
Asphalt and bitumen	15,000	16,000
Minerals and earthenware ..	1,000	1,000
Tires and tubes, special sizes	11,000	7,500
Plywood and blockboard ...	7,500	7,000
Office equipment	42,500	28,500
Wrapping paper	10,500	10,000
Metal watch straps	3,250	3,250
Fishing tackle	6,250	6,250
Commercial cinema spares ..	4,500	4,000
Precision instruments	3,000	3,000
Miscellaneous	39,000	36,000
Mining companies	850,000	500,000
Government departments, commissions and railways	480,500	219,000

While quotas are given in terms of pounds sterling, dollar exchange is available for these sterling allocations.

New Zealand

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs announced on July 28, 1955, that the following goods from Canada and the United States will be granted licences in 1956 on the basis indicated:

Linoleum	— 100 per cent of 1955 licences
Paperhangings	— 100 per cent of 1955 licences
Printed books, paper and music	— 100 per cent of 1955 licences
Service parts of motor vehicles	— 100 per cent of 1955 licences
Wooden handles for tools	— 100 per cent of 1955 licences
Flower and vegetable seeds	— 100 per cent of 1955 licences

United Kingdom

LICENSING ARRANGEMENTS FOR COPPER RODS—Notice to Importers No. 745 issued by the Board of Trade on August 13, 1955, invites applications for licences to import into the United Kingdom black hot rolled copper wire rods from Canada and the United States during the half-year period October 1, 1955, to March 31, 1956.

As in the preceding half-year period, applicants must be either agents of North American producers of rods or wire drawers in the United Kingdom. Applications must be submitted not later than September 1, 1955.

Licences granted under the arrangements for distribution of the previous half-yearly instalment of the quota are valid to September 30, 1955.

Venezuela

TABLE POTATOES—The Venezuelan Government has announced that licences will be issued over the next few weeks for imports of 25,000 metric tons of table potatoes. These licences will be valid until December 31, 1955. Shipments arriving after that date will be refused entry into the country. Canadian exporters and shipping lines should note that this is the earliest cut-off date yet fixed for these imports and that the Venezuelan customs authorities can be expected to enforce this provision without exception—Caracas, July 28.

West Germany

IMPORT QUOTAS FOR CANADIAN EXHIBITORS—Canadian exporters participating in international exhibitions held in the Federal Republic of Germany during the second half of 1955 will be granted special import permits to a total amount of 2,100,000 D marks (about $500 thousand) for non-agricultural materials and manufactured goods and 2,300,000 D marks (about $540 thousand) for agricultural products. In addition, special quotas have been established for Canadian exhibitors at the Berlin Industries Fair amounting to 1,000,000 D marks (about $230 thousand) for non-agricultural materials and manufactured goods and 500,000 D marks (about $115 thousand) for agricultural products. These quotas apply to Canadian goods sold at German exhibitions, even if they are not in Germany at the time of sale. The quotas are considerably larger than those for the first half of 1955 as reported in *Foreign Trade* of April 2.

The above quotas are for imports of items which have not yet been liberalized by West Germany, with the exception of certain listed goods including cured and filleted herring; fresh, salted and smoked salmon; preserved and powdered milk; cereal groats, meal and semolina; edible lard; meat and fish products; non-edible horticultural products and seeds. Further, limited quotas only are available for flour of cereals; macaroni, noodles and soups containing such; canned fruits and vegetables, fruit juices and concentrates; natural honey; cheese.

A list of German trade fairs and exhibitions to which these quotas apply is available in the Department. Information on the status of individual Canadian goods under the German dollar import liberalization and under quotas for exhibitions may be obtained from the International Trade Relations Branch of the Department.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
	Commercial Secretary		
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
	K. G. Ramsay, Assistant Commercial Secretary		
Brazil	C. J. Van Tighem, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
	H. M. Maddick, Commercial Secretary		
Brazil	M. P. Carson, Consul and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
	G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner		
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Garden, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Haiti	Charge d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor K. S. Osmond, Commercial Secretary (Fisheries) W. R. Van, Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

Territory	Officer	City Address	Mail and Cables, Office Telephone
Japan Korea	Commercial Counsellor J. E. Lancaster, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D, LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal) Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa,	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 22-28-10
Sweden Finland	Commercial Counsellor L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Vice Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	F. H. Palmer, Consul General G. A. Newman, Deputy Consul General (Commercial) R. V. N. Gordon, Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	Consul General and Trade Commissioner A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, Caja Nacional de Ahorro Postal, Calle Colonia 1013, 7° Piso, MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from importers. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·01491.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 19	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1314	7·61	
		Basic buying	·1971	5·07	
		Preferential selling	·1971	5·07	(1)
		Basic selling	·1314	7·61	
		Free	·07069	14·15	
Australia	Pound		2·1965	·455	
Austria	Schilling		·03790	26·39	
Belgium-Luxembourg	Franc		·01960	51·02	
Belgian Congo	Franc		·01960	51·02	
Bolivia	Boliviano	Official	·00519	192·83	
British West Indies	Dollar		·5720	1·75	(3)
	Pound		2·7456	·364	(4)
	Dollar	British Honduras	·6864	1·46	
Brazil	Cruzeiro	Effective selling			
		Category I	·01067*	93·75*	tax 10% (2)
		Category V	·00329*	303·77*	*Aug. 2
		Official buying	·05367	18·63*	(5)
Burma	Kyat		·2069	4·83	
Ceylon	Rupee		·2059	4·86	
Chile	Peso	Official	·00493	202·96	(1)
Colombia	Peso	Basic	·3941	2·54	(6)
		Free	·2428*	4·12*	Aug. 17
Costa Rica	Colon	Official	·1755	5·70	
		Controlled free	·1484	6·74	
Cuba	Peso		·9853	1·015	tax 2% (2)
Czechoslovakia	Koruna		·1368	7·31	
Denmark	Krone		·1427	7·01	
Dominican Republic	Peso		·9853	1·015	
Ecuador	Sucre	Official	·06569	15·22	
		Free	·05614	17·81	
Egypt	Pound	Official	2·8294	·353	(7)
Fiji	Pound		2·4735	·404	
Finland	Markka		·00428	233·43	
France	Franc		·00282	355·11	(8)
French Africa	Franc		·00563	177·56	(9)
French Pacific	Franc		·01549	64·56	(10)
Germany	D Mark		·2338	4·28	
Greece	Drachma		·03284	30·45	
Guatemala	Quetzal		·9853	1·015	
Haiti	Gourde		·1971	5·07	
Honduras	Lempira		·4927	2·03	
Hong Kong	Dollar	Free	·1691	5·91	
Iceland	Krona	Official	·06050	16·53	
		Special buying	·04769	20·97	
		Special selling	·03754	26·64	(11)
India	Rupee		·2059	4·86	
Indonesia	Rupiah	Basic	·08632	11·58	(12)
Iran	Rial	Certificate	·01301	76·88	
Iraq	Dinar		2·7589	·362	
Ireland	Pound		2·7456	·364	
Israel	Pound		·5474	1·83	
Italy	Lira		·00158	632·51	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 19	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00274	365·36	
Lebanon	Pound	Free	·3050	3·28	
Mexico	Peso		·07883	12·69	
Netherlands	Guilder		·2576	3·88	
Netherlands Antilles	Guilder		·5189	1·93	
New Zealand	Pound		2·7456	·364	
Nicaragua	Cordoba	Effective buying	·1493	6·70	
		Official selling	·1398	7·16	
Norway	Krone		·1379	7·25	
Pakistan	Rupee		·2059	4·86	
Panama	Balboa		·9853	1·015	
Paraguay	Guarani	Basic	·04692	21·31	(1)
		With Surcharge I	·03649	27·40	
		With Surcharge II	·02737	36·54	(13)
Peru	Sol	Certificate	·05186	19·28	
Philippines	Peso		·4927	2·03	tax 17% (2)
Portugal	Escudo		·03439	29·08	(14)
El Salvador	Colon		·3941	2·54	
Singapore & Malaya	Straits dollar		·3203	3·12	
South Africa (Union of)	Pound		2·7456	·364	
Spain & Dependencies	Peseta	Basic buying	·04499	22·23	
		Basic commercial selling	·05999	16·67	(1)
		Free	·02530	39·53	
Sweden	Krona		·1905	5·25	
Switzerland	Franc		·2299	4·35	
Syria	Pound	Free	·2748	3·64	*May 31
Thailand	Baht	Free	·04422	22·62	*June 30 (1)
Turkey	Lira		·3519	2·84	
United Kingdom	Pound		2·7456	·364	
United States	Dollar		·9853	1·015	
Uruguay	Peso	Official	·6487	1·54	tax 6% (2)
		Basic buying	·5535	1·81	(1)
		Special buying	·4193	2·39	
		Basic selling	·5186	1·93	
		Special selling	·4022	2·49	
Venezuela	Bolivar		·2941	3·40	
Yugoslavia	Dinar		·00328	304·51	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality.
7. Egypt: Egyptian exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective rate for imports into Egypt is official plus premium (average of 13·5 per cent in May) on Entitlements.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and essential imports. Purchase of exchange for other imports is subject to exchange surcharges of 33⅓, 100 or 200 per cent depending on product.
13. Paraguay: Basic rate applies to most Paraguayan exports.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.

The Duty-Free Market in Cuba

Industrial stimulation law and purchases for government account provide a $60 million a year duty-free market for raw materials, equipment and machinery.

G. A. BROWNE, *Commercial Secretary, Havana.*

CUBAN STATISTICS show the average value of imports for the five years 1949-1953 as 542·9 million pesos (1 Cuban peso equals $1 U.S.) Of this sum, a yearly average of 59·8 million pesos worth of goods have entered under customs exemption when they were destined to government account or were for the use of enterprises and industries gazetted under the provisions of the Industrial Stimulation Law.

This legislation to stimulate new industries in Cuba represents a consolidation of efforts to promote local enterprises which had their beginnings during World War II. Under the original basic law, Decree 2144 of August 14, 1945, new industries were re-defined as those whose products were not being made in Cuba at that date. The law was subsequently re-written as Law Decree 1038 of August 15, 1953, and currently provides for:

- Exemption for three years from all customs duties, consular fees and taxes on imported machinery, equipment and construction materials not produced in Cuba; exemption from the 2 per cent money export tax, and taxes on property and real estate;

- Exemption for six years from the regular taxes on loan interest, and exemption for ten years on dividends and income taxes when profits are applied to the expansion of industries protected under this legislation;

- Exemption for ten years from consular fees, customs duties and taxes on imported raw materials not, or insufficiently, produced in Cuba, from money export taxes on their purchase, and from specific taxes on domestic raw materials;

- Partial exemption for ten years from the profits and excess profits taxes, as follows:

Profits Tax—1. Net profits not exceeding 10 per cent of the capital really paid, EXEMPT.

2. Net profits exceeding 10 per cent of the capital really paid will be subject to the tax.

Excess Profits Tax—The rate of 25 per cent additional tax on profits exceeding 10 per cent is reduced to 15 per cent.

The depreciation rates authorized in the profits tax regulations are doubled, with the limitation that this doubling of the rates may only be authorized when applied to the fixed assets to be used exclusively in the industry protected under this legislation.

Goods Currently Affected

At mid-1955, applications for the above exemptions had been granted by the Ministry of Finance for 51 new enterprises or companies significantly expanding or diversifying their former production.

Many more applications for Law Decree 1038 exemptions are currently pending approval. Those already granted relate to the production of slide fasteners, asbestos cement products, rayon textiles, aluminum furniture, jute sacks, barbed wire, metal doors and windows, glacé fruits, steel wool, concrete blocks and pre-cast concrete products, hydrogenated oils, TV receivers, soda ash, acetic acid and acetone, sugar cane waxes, steel reinforcing rods, flour milling, roofing paper, metal stampings, woollen and synthetic yarns, fertilizers, soaps and detergents, rayon manufacture, off-the-road transportation equipment, structural steel fabrication, cornstarch and animal feeds, paper converting, coal and coke, fruit juices and concentrates, and automobile and truck tires.

In many cases new industries will have placed their orders for machinery and equipment before the issue of the final Ministerial resolution granting them exemption. However, opportunities for quotations on these basic tools as well as the raw materials may arise frequently and are signalled in the *Official Gazette* notices of the filing of these applications for exemption. Such notices indicate specifically the machinery, equipment and raw materials required and are readily available to local representatives of Canadian manufacturers and exporters.

Another sector of as great or greater importance in this duty-free development market is, of course, represented by government or government-supported public works and transportation projects, such as railways, aqueducts, air services, harbour installations, roads, hospitals, schools and certain public utilities.●

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